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Japan

Compliance With Interest Deregulation Refused

OW2405214690 Tokyo KYODO in English 1211 GMT 24 May 90

[Text] Tokyo, May 24 KYODO—A high-ranking Finance Ministry official said Thursday Japan will not comply with a U.S. demand for total deregulation of interest rates on savings and deposits within one year. "It is difficult to obtain agreement from interest groups to such a swift reform," the official, who declined to be named, told reporters.

The remarks reinforced the view expressed by the Japanese team at the U.S.-Japan bilateral financial talks held in Tokyo earlier this week.

Yamamoto To Reply 'Calmly' To Yeutter on Rice

OW2905065190 Tokyo KYODO in English 0541 GMT 29 May 90

[Text] Tokyo, May 29 KYODO—Japanese Agriculture Minister Tomio Yamamoto said Tuesday that he will reply calmly to a letter from from U.S. Agriculture Secretary Clayton Yeutter on Japanese rice import policy. Yeutter wrote Yamamoto earlier this month protesting the Japanese minister's remark that U.S. pressure on Japanese rice policy is an unwarranted interference in Japan's internal affairs.

Yamamoto, speaking to the press after a regular cabinet meeting, said that there has been a misunderstanding in the meaning of his comments on the question and that he will write to Yeutter following a ministerial meeting of the Organization for Economic Cooperation and Development (OECD) in Paris next week.

He added he will say he believes good U.S.-Japan relations are vital and that he will make his best effort for a successful conclusion of the Uruguay round of multilateral trade talks set for December this year.

Yeutter had suggested in his letter that Yamamoto seemed to indicate that Japan is not prepared to open its rice market for discussion in the Uruguay round and had asked to meet Yamamoto for clarification of the comments during the OECD meeting.

New Budgetary Allocation Rules Considered

OW3005070490 Tokyo KYODO in English 0535 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—The Japanese Government will set up new unified rules for national budgetary allocations by the end of July, in view of a planned increase of public investment in fiscal 1991, government sources said Wednesday. The change might include partial abolition of the current ceilings on allocations for individual ministries and agencies, they added.

The government expects ministries and agencies to ask for more budget allocations in the next fiscal year, partly as a result of the interim report on the Structural Impediments Initiative talks with the United States, calling for a major increase in Japan's public works projects, the sources said.

Mutsuki Kato, chairman of the Policy Research Council of the ruling Liberal Democratic Party (LDP), said Tuesday that under the circumstances, the government should review budgetary allocation rules. The public investment should also be considered under three different headings, related with livelihood, the environment, and infrastructure, he said.

The sources said the new rules will be discussed between the government and the LDP, and added that the basic outline will be similar to that Kato had suggested.

Kaifu Expresses Displeasure Over U.S. Request

OW0806105790 Tokyo KYODO in English 0752 GMT 8 Jun 90

[Text] Tokyo, June 8 (KYODO)—Prime Minister Toshiki Kaifu expressed strong displeasure Friday over a U.S. request that Japan specify the ratio of its annual public works spending to gross national product (GNP) in a final report on the Structural Impediments Initiative (SII) talks.

Kaifu told reporters Japan would not accept the demand, made at an informal SII meeting between Japanese and American Government officials in Hawaii in late May. "It was settled in the interim report (in April). I don't quite understand why they are raising the topic again," Kaifu said to reporters at his official residence.

Kaifu, however, said he will dispatch Vice Finance Minister Makoto Utsumi to the United States next week for talks with American officials.

Japan has agreed in the interim report to immediately start formulating a new comprehensive plan for public investment for the next 10 years and specify the aggregate amount of expenditure during the period.

Earlier in the day, Kaifu said he talked with U.S. President George Bush on Tuesday over the phone and exchanged pledges of mutual efforts for drafting the final SII report. Japan and the U.S. will hold the next round of SII talks in Tokyo on June 25-26 to hammer out the final report aimed at eliminating structural barriers to bilateral trade and investment.

Kaifu quoted Bush as asking for the prime minister's efforts for the final document, noting that Bush is also making his own efforts. Asked by reporters if Bush asked him on the phone to exert greater leadership, Kaifu said, "No, I'm exerting leadership without having to be told to do so, and doing my job to the utmost."

Meanwhile, Mutsuki Kato, chairman of the policy affairs research council of the ruling Liberal Democratic Party

(LDP), said he has urged bureaucrats concerned to try to ensure that the government and LDP officials can complete Japan's draft for the final SII report by around June 20.

Bank of Japan Governor Hails Yen Upturn

OW3005081890 Tokyo KYODO in English 0706 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday he hopes to see the yen strengthen further against the dollar, noting that the current yen-dollar rate still does not reflect economic fundamentals.

Mieno welcomed the yen's rise since the last Group of Seven meeting in Washington, saying that exchange rates have been moving in a desirable direction in line with the G-7 commnunique issued after the Washington gathering. Mieno made the remarks at a regular press meeting.

Australia's Evans Meets With Nakayama 7 Jun

OW0706161690 Tokyo KYODO in English 1459 GMT 7 Jun 90

[Text] Tokyo, June 7 (KYODO)—Australian Foreign and Trade Minister Gareth Evans expressed disappointment Thursday over the Khmer Rouge's boycott of signing a joint communique on the Cambodian conflict, ministry officials said. The officials said that Evans, in a meeting with Foreign Minister Taro Nakayama, called the lack of a Khmer Rouge signature on the final document of the two-day Tokyo peace talks "disappointing."

Cambodian resistance leader Prince Norodom Sihanouk and rival Phnom Penh government Premier Hun Sen signed the document in Tokyo on Tuesday. But Evans, who has been actively involved in the Cambodian peace process for some seven years, was quoted as saying he nevertheless considers the Tokyo meetirg to have been "very constructive in advancing the overall peace process."

The officials denied that Evans had meant to indirectly express displeasure at Japan's arrangement of the Tokyo talks when he employed the word "signed."

Japan organized the meeting as one between "two governments" rather than between "four parties." This foreclosed the possibility of the Khmer Rouge "signing" any sort of document on an equal footing with the Phnom Penh regime, as it fell under Sihanouk's umbrella as but one member of the tripartite alliance.

The officials said Evans asked Nakayama if the absence of a Khmer Rouge signature on the communique stemmed from a problem with the content of the document or whether there was an internal impediment within the guerrilla group itself.

Nakayama replied that both factors were in play, as Khmer Rouge representative Khieu Samphan did not come to Tokyo with a mandate to go beyond what his group has previously agreed to in Bangkok with regard to a ceasefire. He explained that Khieu Samphan would not consent in Tokyo to a clear linkage being established between the ceasefire issue and the question of a supreme national council (SNC), despite the persuasive efforts of Thailand and China.

Japan holds that a ceasefire can only be implemented effectively in conjunction with the establishment of the SNC, a proposed body comprised of representatives of the Phnom Penh government and the resistance coalition.

The officials said Evans agreed on the necessity of a linkage being established between a ceasefire and the concept of the SNC "so that the question of a ceasefire will more clearly be placed within the context of a comprehensive solution." The Khmer Rouge initially agreed to a ceasefire before coming to Japan, but objected to the SNC link on the ground that they would be underrepresented in the proposed body.

Sihanouk and Hun Sen agreed that the SNC should consist of an equal number of representatives from the two rival "governments," rather than from the four warring factions.

Evans told Nakayama, however, that participation of all four factions in the peace process is essential if a comprehensive peace settlement is to be achieved, adding that they should gather together soon after the United Nations Security Council reconvenes in mid-July.

Nakayama responded that Japan hopes to see a linkage between the Tokyo meeting and that of the U.N. Security Council in order to facilitate the holding of another Paris International Conference on Cambodia.

He assured Evans that even though the Khmer Rouge did not "sign" the joint communique in Tokyo, the door is still open for them to acquiesce to it in the future. But Nakayama warned that if the Khmer Rouge continue to maintain their "uncooperative attitude" towards the Tokyo agreement, "they will become isolated in international society."

He said Japan, Australia, and Thailand should join forces in calling on the Khmer Rouge to engage in the peace process.

Evans expressed his "high regard" for Japan's efforts in achieving a settlement to the Cambodian conflict, officials said.

PRC Reaction to Cambodian Accord Downplayed

OW0806045390 Tokyo KYODO in English 0433 GMT 8 Jun 90

[Text] Tokyo, June 8 KYODO—Japan does not believe China's skepticism over the Tokyo agreement on Cambodia means that China is against efforts to resolve the 11-year conflict, top government spokesman Misoji Sakamoto said Friday.

Sakamoto was commenting on China's expression of skepticism Thursday over the Tokyo agreement between Cambodian resistance leader Prince Norodom Sihanouk and Hun Sen, prime minister of the Vietnam-backed Phnom Penh Government. The agreement calls for a ceasefire through the establishment of a supreme national council to act as an interim government. Chinese Foreign Ministry spokeswoman Li Jinhua said Thursday that for any agreement to be effective it should be accepted by all four warring parties.

The Tokyo agreement was signed by Sihanouk and Hun Sen as the representatives of the "two governments." But the Beijing-backed Khmer Rouge, the most militarily powerful of the three resistance groups, said it would not be bound by the communique. Khieu Samphan, representing the Khmer Rouge, boycotted the Tokyo peace talks demanding that all four factions be given equal status.

Son Sann, prime minister of the three-party anti-Phnom Penh coalition government, accepted the agreement.

Sakamoto, the chief cabibnet secretary, said he was not informed of a XINHUA NEWS AGENCY report saying Sihanouk claimed he was forced to sign the joint communique. The official Chinese news agency on Friday quoted Sihanouk as saying that the Tokyo accord was an option that was forced on him.

PRC's Treatment of Newsmen Protested

OW0806085790 Tokyo KYODO in English 0835 GMT 8 Jun 90

[Text] Tokyo, June 8 KYODO—Japan has recently lodged protests with China on two separate occasions over the "outrageous" treatment of Japanese media personnel in China, a Foreign Ministry spokesman said Friday. "We cannot help noticing the rather outrageous violence inflicted upon journalists, some of them Japanese," said Foreign Ministry Spokesman Taizo Watanabe in a meeting with foreign correspondents.

"Our embassy in China has already made representations to the Chinese authorities about their acts of violence to Japanese press people," the spokesman said.

Watanabe was referring to the recent beatings and other rough treatment of foreign journalists covering events in Beijing on the anniversary of last year's military crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square, in which an unknown number of persons died.

He said the first of two representations made to China's Ministry of Public Security on June 5 concerned Fumio Holley, wife of a LOS ANGELES TIMES correspondent, who was allegedly physically mistreated in the vicinity of Beijing University around midnight June 3. "We made strong representations, saying it is extremely regrettable, and asked for a responsible answer after their having made a thorough investigation into this matter," the spokesman said.

Watanabe said another incident "of intervention by the Chinese authorities in press activities" occurred on June 4, when Shigeo Takahashi, Beijing bureau chief for the Japanese television network NTV, was subjected to questioning in the middle of night and had his video camera taken away. The spokesman said the Japanese Embassy protested to the ministry "that this [is] an intervention in the freedom of press ...And is extremely regrettable."

The Japanese message further warned that "this sort of violent treatment of the Japanese press could have an adverse effect on Japan-China relations," Watanabe said.

The Chinese side replied that they are still in the process of investigating both alleged incidents, he said. "We have not received a report back yet."

More Chinese Illegal Immigrants Deported

OW0206062590 Tokyo KYODO in English 0318 GMT 2 Jun 90

[Text] Nagasaki, June 2 KYODO—Yet another group of illegal Chinese immigrants left for home aboard a Chinese-chartered passenger vessel Saturday, immigration officials said.

The 306 people deported had fled to Japan in boats between May and October of 1989, officials said. Among them were four babies born in Japan. This was the fourth group of illegal Chinese entrants deported, following 301 people last December, 491 last March, and 431 last month, the officials said.

Last year, a total of 2,804 people came to Japan on 22 vessels. Most of these boat people turned out to be Chinese who came to Japan posing as Vietnamese refugees to seek employment.

More on Effort To Confirm Soviet Islands Stand

OW0806123690 Tokyo KYODO in English 1153 GMT 8 Jul 90

[Text] Tokyo, June 8 (KYODO)—Japan is attempting to verify a news report that Soviet President Mikhail Gorbachev recently told a very high-ranking U.S. official he

is willing to make a deal with Japan over its claims to four Soviet-held islands, a Foreign Ministry spokesman said Friday.

"We are making inquiries into the matter," said spokesman Taizo Watanabe, speaking to Japanese reporters on the eve of the visit to Tokyo of Soviet Deputy Foreign Minister Igor Rogachev to brief the Japanese Government on last week's Soviet-U.S. summit talks.

The spokesman said that the Japanese Embassy in Washington is attempting to confirm the report in the Friday evening edition of the mass-circulation daily YOMIURI SHIMBUN, which said Gorbachev wants to swap an unspecified portion of the disputed territories for immediate Japanese economic assistance.

The Washington dispatch quoted a U.S. diplomatic source as saying Gorbachev made the remarks to a "very high-ranking U.S. official" in a one-on-one encounter during the period of his summit meeting with U.S. President George Bush. The U.S. source quoted Gorbachev as saying he was thinking of offering "a deal" to Japan on the territorial issue, according to the YOMIURI.

"In exchange for a concession from us, we would like to see an extremely prompt, serious and reliable provision of materials from Japan to the Soviet Union, investment in Siberia and elsewhere, and joint business undertakings," the source quoted Gorbachev as saying. Gorbachev was said to have indicated that the Soviet Union needs immediate material assistance more than long-term industrial investment because of the need to show the Soviet people "a clear result" from a territorial compromise.

The YOMIURI quoted the source as saying the U.S. official was startled by Gorbachev's remarks as they had been unsolicited. Gorbachev had simply been asked a question concerning international affairs in general, the source said.

The YOMIURI quoted the source as saying that since Gorbachev apparently wanted to convey his message to Japan in a most informal manner, the U.S. official decided to "go along with the Soviet leader's tactics" and asked the source to leak the remarks to the Japanese press.

The source estimated Gorbachev was considering a time frame of about six months when he emphasized the speedy provision of materials.

Foreign Ministry Spokesman Watanabe, however, cast doubt on the newspaper's report, noting that as recently as last April 26 Gorbachev told a group of factory workers in the Ural region that "the Soviet Union has no land to spare."

The YOMIURI report came three days after a U.S. Government source was quoted in the Japanese media as saying that Gorbachev had told Bush during the unofficial portion of their talks at Camp David on June 2 that Moscow wants assurances of "returns" from Japan before it considers making a territorial concession to Japan. "But that kind of report was denied by the American authorities," Watanabe noted.

Watanabe said the U.S has informed Japan only that Bush, on his own initiative, took up the territorial issue with Gorbachev, saying that the U.S. supports the Japanese position and that the matter should be resolved to improve East-West relations. He said U.S. officials quoted Gorbachev as saying "it is an issue between Japan and the Soviet Union and we will deal with Japan," after which the two leaders presumably moved to another topic.

Watanabe noted that Rogachev will be in Japan on Saturday to brief Japanese officials on the outcome of the two summit meetings in the U.S. between Gorbachev and Bush and between Gorbachev and South Korean President No Tae-u.

Rogachev and his Japanese counterparts will also exchange views on bilateral and international issues, including the situation on the Korean peninsula and the Cambodian peace process.

Rogachev will arrive Saturday morning in the wake of Japan's hosting of the June 4-5 Tokyo meeting on Cambodia, at which resistance faction leaders Prince Norodom Sihanouk and Son Sann agreed to cease hostilities against the Phnom Penh Government, which is backed by Vietnam and the Soviet Union.

Firm To Help Soviets Modernize Silk Industry

OW0106130690 Tokyo KYODO in English 1238 GMT 1 Jun 90

[Text] Tokyo, June 1 KYODO—Chori Co. said Friday the company will increase its technological cooperation with the Soviet Uzbek Republic's silk industry to help it produce higher-quality raw silk exportable to Western Europe.

The medium-size trading company has so far extended technological cooperation to more than 10 silk plants in the republic, known as a major raw silk production center in the Soviet Union. The assistance follows a technological cooperation agreement concluded in 1988. However, the republic's mulberry cultivation and silk-reeling and weaving are still at an "immature" level.

In response to a request by the republic's Industry Ministry, Chori has agreed to help update these technologies to boost production of high-grade raw silk exportable to Western countries. Chori said it will actively work to develop new markets for raw silk, produced at Uzbek silk plants. Italy, South Korea, and Hong Kong are considered promising export markets, the firm said.

Kaifu Reportedly Not To Travel to Seoul in 1990

OW2805133990 Tokyo KYODO in English 1210 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—Prime Minister Toshiki Kaifu will be unable to go to South Korea this year because of his tight political schedule, a top-level Foreign Ministy official said Monday.

Earlier in the day, Chief Cabinet Secretary Misoji Sakamoto said Kaifu is likely to precede Emperor Akihito in making an official visit to South Korea, adding the emperor's visit will not take place until after his enthronement ceremony set for November 12.

The Foreign Ministry official, speaking on condition of anonymity, told reporters that the prime minister is already tied up with busy domestic political and diplomatic activities which include a visit to the Middle East in the summer, the imperial enthronement rites in November, as well as domestic political and electoral reform priorities. South Korean President No Tae-u invited the emperor and Kaifu to his country during a three-day state visit to Japan which ended last Saturday.

Detained DPRK Fishing Boat Captains Confess

OW0106223090 Tokyo KYODO in English 1352 GMT 1 Jun 90

[Text] Moscow, June 1 KYODO—The North Korean captains of twelve Japanese fishing boats seized by Soviet authorities in the northern Pacific for allegedly taking salmon illegally in Soviet territorial waters while disguised as North Korean vessels have said they caught salmon at the order of the North Korean deep sea fishing company, officials of the Soviet Fisheries Ministry said Friday.

Li In-man, president of the North Korean deep sea fishing company, who was aboard one of the detained boats, reportedly said he didn't know their fishing operations were against Soviet laws, the officials said. However, the Soviet authority determined, based on statements by the captains, that the fishing constituted systematic poaching, they said.

Some 170 Japanese fishermen were among the crew of the 12 fishing boats. But the officials said the Japanese fishermen were not criminally liable for the illegal operations.

The officials said only the 12 North Korean captains of the seized vessels will be indicted on charges of poaching at court hearings expected to be held early this month on Shikotan Island, one of four islands claimed by Japan.

More Japanese Travelers Visit Eastern Europe

OW3005070390 Tokyo KYODO in English 0102 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—Eastern Europe is attracting more and more Japanese travelers, both for business and pleasure, apparently as a result of sweeping democratic changes there, according to a Transport Ministry survey. The survey said 11,130 Japanese, including business persons, visited the Soviet Union, East Germany, Czechoslovakia, and Poland between last October and February this year. The figure was up 15 percent from the same period a year before, it said.

The Soviet Union topped the traveling list with 8,400 visitors, followed by East Germany with 1,440, Czechoslovakia with 870 and Poland with 780. Travelers to Czecholovakia rose 42 percent from the previous October-February period, the survey showed.

Tourist agencies and airline companies are putting emphasis on East European tours. An affiliate of Japan Airlines has added seven new package tours which include trips in Eastern Europe in addition to six such tours offered so far.

An official with a major travel agency said Eastern Europe will become an attractive spot in the future although in the short term the numbers of tourists will be limited by such things as a shortage of hotel accommodation and poor transport facilities in the region.

Oil Firm Denies Saudi Arabia Refinery Plan

OW0106122590 Tokyo KYODO in English 0526 GMT 1 Jun 90

[Text] Tokyo, June 1 KYODO—Nippon Oil Co. categorically denied Friday a report that the top Japanese oil distributor plans to build a large oil refinery in Saudi Arabia in a joint venture with the kingdom. Saudi Arabia "has not contacted Nippon Oil about such a plan nor has the company sounded it out," a company spokesman said. "We have no plan on a refinery joint venture there."

An official of the Ministry of International Trade and Industry (MITI) said the ministry has received no word about the reported plan from Nippon Oil, nor does it intend to contact Saudi Arabia about such a project.

The business daily NIHON KEIZAI SHIMBUN reported in Friday editions that Nippon Oil is considering building a refinery capable of producing 500,000 to 600,000 barrels a day in Saudi Arabia in a 100 billion yen joint venture. It would be the largest refinery in that country. The report also said MITI plans to throw support behind the project by sending senior officials to Saudi Arabia as soon as this month.

Industry watchers said Saudi Arabia wants to share Japan's oil refining and distribution market. But they termed the reported giant refinery project unrealistic and ruled out its possibility. The MITI official, who asked not to be named, said a refinery with a capacity of 600,000 barrels would cost far more than 100 billion yen.

In a related development, the Tokyo Stock Exchange suspended afternoon trading in Nippon Oil stock to allow investors time to assess the information.

Kodama To Replace Matsumoto as DFAA Head

OW2705001490 Tokyo KYODO in English 1012 GMT 26 May 90

[Text] Tokyo, May 26 KYODO—Yoshio Kodama, chief of Secretariat for the State Minister of Defense, will succeed Munekazu Matsumoto as head of the Defense Facilities Administration Agency (DFAA), Defense Agency sources said Saturday. Matsumoto is resigning.

Akira Hiyoshi, director general for defense policy at the Defense Agency, will fill the post to be vacated by Kodama.

Kazuo Fujii, the agency's finance bureau head, will replace Hiyoshi.

State Minister for Defense Yozo Ishikawa will recommend the appointment of Ichiro Yoneyama, chief of the agency's education and training bureau, as successor to Tomoharu Yoda, who currently serves as Prime Minister Toshiki Kaifu's chief security adviser as head of the cabinet's security affairs office, the sources said. Yoda was earlier reported to replace Seiki Nishihiro as vice minister of Defense.

These appointments will become official around June 20, they said.

North Korea

South Prime Minister's Memorial Address Derided

SK0806051790 Pyongyang KCNA in English 0443 GMT 8 Jun 90

["Obtrusive Outburst of Colonial Fascist Maniac"—KCNA headline]

[Text] Pyongyang June 8 (KCNA)—The South Korean puppet prime minister in his "memorial address" on the "day of the war deads" Wednesday said that "democracy" has been "brought to reality," not an "illusion", under the "Sixth Republic" and called for bringing into bloom an "era" of "peaceful unification" through the consolidation of the socalled "liberal democratic system," speaking ill of the social system of the North commenting on his provocative rigmarole, NODONG SINMUN today says:

This is an extremely shameless and ridiculous jargon to deceive public opinion and cover up the fascist nature of the No Tae-u "government" which has turned South Korea into the world's worst wasteland of human rights and ruins of democracy with a wholesale suppressive rule of the dictatorship of the "Democratic Liberal Party"; it betrays its wild ambition for "unification by prevailing over communism".

The news analyst further says:
They describe as a "growth of democracy" the military dictatorial politics through which they brutally crack down upon peaceful demonstrators who call for freedom and democracy with the mobilisation of armed police. Such thing can be done only by ferocious military hooligans who regard the sword as almighty. It is the height of impudence.

Fascist rowdysm in stifling and suffocating democracy and civil rights with the brutal sword-brandishing of the "DLP" dictatorship which is wirepulled by the U.S. imperialists—this is the reality of South Korea.

It is also the height of absurdity for the puppet to clamour about unification under the "system of liberal democracy", taking issue with our political system.

The puppets' talk about "peaceful unification" under the "system of liberal democracy" is an unpardonable anti-national, anti-reunification move which reveals their wild ambition for "unification by force of arms" and "unification by prevailing over communism" to expand the colonial fascist ruling system of South Korea to the northern half of Korea.

The puppets must refrain from blocking the road to democracy with the criminal fascist dictatorial rule and give up the daydream of anti-national "unification by prevailing over communism".

Chinese Daily Says South Modernizes Weapons

SK0806103390 Pyongyang KCNA in English 1009 GMT 8 Jun 90

[Text] Beijing June 6 (KCNA)—The Chinese Liberation Army Daily June 4 carried an article on the South Korean puppets' modernization of weapons and equipment.

Noting that South Korea is very largely dependent on the United States in "defence", the paper said most of the weapons and equipment of the three services of the South Korean puppet army are U.S.-made ones which were produced in the United States before the 1960s or their reformed ones.

The South Korean puppets decided to give priority to the puppet airforce and navy in increasing the speed of the modernization of weapons and equipment, the paper said, citing facts to prove that they are purchasing new-type fighter planes and ordering new planes while paying attention to the improvement of the aerial force of the puppet navy and the increase of its anti-submarine capacity.

The South Korean puppets plan to import new-type helicopters and unmanned planes, purchase tanks and equip the units with anti-tank weapons in order to strengthen the puppet ground force, the paper noted.

'Warmaniacs' Prepare for Another Korean War

SK0806102390 Pyongyang KCNA in English 0958 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—The U.S. imperialists are loud-mouthed about "reduction" and "detente",

but, in actuality, they are warmaniacs giving spurs to the preparations for another Korean War, says NODONG SINMUN today.

The author of the article notes:
If the situation on the Korean peninsula is to be eased, the arms buildup and war moves of the U.S. imperialists, the main factors of its aggravation, must be stopped and the U.S. imperialist aggression troops be withdrawn, first of all.

But the U.S. imperialists are still rushing headlong along the road of arms buildup and more acute military confrontation in South Korea. They started to deploy a wing of ultra-modern "F-16" fighter-bombers in South Korea. Earlier, a U.S. House Committee adopted a resolution reaffirming that the United State would strictly fulfil its "security commitments" to South Korea and a U.S. military boss blared that the U.S. troops stationed in South Korea would be further modernized to be strengthened qualitatively.

The U.S. imperialists have assigned more than 120 "M-1" tanks of latest type to the U.S. second infantry division deployed in the frontline area South of the Military Demarcation Line of Korea. They intend to transfer to the South Korean puppet army "C-130" multi-purpose medium and long distance transport planes called "a fortress of the sky" and attack fighter planes numbering 120, crying for the increase of the war capacity of the puppet army.

They are getting more feverish in their war manoeuvres. They are staging more hysteric war games than ever before in South Korea, raising a hue and cry over the fictitious "growing military threat" of the North. They staged again the "Team Spirit" joint military exercises this year and are committing all kinds of war gambles almost every day by massively introducing means of war deployed in the Asia-Pacific region into South Korea.

Through these war games, they familiarize the aggression forces based in the Asian-Pacific region with the topography and climate of the Korean peninsula and adapt them to quick movement to the Korean front and entry into combat operations and joint operations with the U.S. Forces present in South Korea and the puppet army in the "event of emergency". And, in this way, they are stealthily moving to South Korea means of war in the Asian-Pacific region.

Since the U.S. imperialists scheme to attack our republic and invade socialist countries in Asia and the whole of the Asian continent with South Korea as the springboard, it is clear that, if the second Korean War broke out, it would immediately spread to broad areas and in this case, the world peace will be wrecked and mankind suffer another big disaster.

The U.S. imperialists must give up arms buildup and war preparations in South Korea and withdraw all their forces of aggression from there without delay.

Choe Kwang Meets Soviet Air Force Delegation

SK0706105090 Pyongyang KCNA in English 1040 GMT 7 Jun 90

[Text] Pyongyamg June 7 (KCNA)—Choe Kwang, chief of the General Staff of the Korean People's Army, today met and had a friendly conversation with the visiting Soviet Airforce delegation led by Col. Gen. [Colonel General] Valentin Panin first deputy Airforce commander-in-chief and chief of staff.

Present on the occasion were Col. Gen. Of the KPA Cho Myong-nok, Charge d'Affaires Ad Interim Boris Morozov and the military attache of the Soviet Embassy here.

PRC Delegations Arrive, Depart Pyongyang

SK0706110890 Pyongyang KCNA in English 1044 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—A delegation of the Chinese Supreme People's Procuratorate led by Chief Procurator Lui Fuzhi and a Zimbabwean delegation for the study of the chuche Provincial Committee of the Zimbabwean Africa National Union-Patriotic Front arrived here today.

A Chagang Provincial friendship delegation led by Kim Chong-ho, chairman of the Chagang Provincial Administration and Economic Guidance Committee, left here on June 6 to visit Jilin Province, China.

Burkina Faso Government Delegation Visits

Delegation Arrives 7 Jun

SK0706111990 Pyongyang KCNA in English 1039 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—A Burkina Faso Government delegation led by Vokouma Prosper, minister of foreign relations, arrived here today for an official goodwill visit to Korea at the invitation of the Government of the Democratic Peoples Republic of Korea.

It was met at the airport by Vice-Premier and Foreign Minister Kim Yong-nam and Vice-Minister Kim Yong-yong.

Banquet Given for Delegation

SK0806045790 Pyongyang KCNA in English 0432 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—The government of the Democratic People's Republic of Korea gave a banquet for the Burkina Faso Government delegation on an official goodwill visit to the DPRK at the Koryo Hotel in Pyongyang on June 7.

Vice-premier and Foreign Minister Kim Yong-nam addressed it.

Pointing out that the friendly and cooperative relations between the DPRK and Burkina Faso are expanding and developing on a high level, he said the meaningful meeting between the heads of state of the two countries in Pyongyang two years ago serves as a motive force which powerfully promotes the development of the friendly relations between the DPRK and Burkina Faso.

He noted with pleasure that the friendly and cooperative relations between the two countries are deepening and developing with each passing day on the basis of the common aspirations for anti-imperialism and independence and for the building of a new society.

The Korean people sincerely congratulate the Burkina Faso people on the great progress they are making in working out policies in conformity with the actual conditions of their country and in realising democracy, people's unity and social justice and sincerely wish them greater success in their future work to fulfil the tasks set at the first congress of the people's front, he stressed.

Head of the delegation Prosper Vokouma, minister of external relations of Burkina Faso, spoke next:

He warmly congratulated the respected leader His Excellency Kim Il-song on his reelection as president of the Democratic People's Republic of Korea at the First Session of the Ninth Supreme People's Assembly.

His reelection is an expression of the deep trust of the Korean people in him and a manifestation of the Korean people's determination to win a victory in the struggle for the political and economic development, Prosper Vokouma said, adding:

Burkina Faso supports all the initiatives of the DPRK for the independent and peaceful reunification of Korea and peace.

He expressed support to all the reunification policies advanced by the great leader Comrade Kim Il-song in his policy speech at the First Session of the Ninth Supreme People's Assembly held on May 24, 1990.

He also expressed full support to the disarmament proposal which was adopted at the joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council.

Talks Held With Kim Yong-nam

SK0806110190 Pyongyang KCNA in English 1036 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—Talks were held here today between the DPRK and Burkina Faso Government delegations.

Present at the talks on our side were Vice-Premier and Foreign Minister Kim Yong-nam, Vice-Minister of Foreign Affairs Kim Yong-yong and other officials concerned and on the opposite side were the members of the Burkina Faso Government delegation led by Prosper Vokouma, minister of foreign relations.

The two sides informed each other of the situation of their countries and exchanged views on developing friendly and cooperative relations between the two countries and a series of matters of mutual concern.

The talks proceeded in a friendly atmosphere.

Kim Tal-hyon Meets Ethiopian Economic Delegates

SK0706113590 Pyongyang KCNA in English 1035 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—Vice-Premier Kim Tal-hyon June 6 met and had a friendly talk with the Ethiopian Government economic delegation led by Deputy Prime Minister Wollie Chekol when the latter paid a courtesy call on him.

Present were Minister of External Economic Affairs Chong Song-nam and Ethiopian Ambassador to Korea Fisseha Geda.

Foreign Ministers Exchange Anniversary Greetings

SK0806111390 Pyongyang KCNA in English 1039 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—Vice-Premier and Foreign Minister of Korea Kim Yong-nam and Deputy Prime Minister and Minister of Foreign Affairs of Ethiopia Dinka Tesfaye exchanged messages of greetings on the occasion of the 15th anniversary of the establishment of diplomatic relations between Korea and Ethiopia.

Kim Yong-nam in his message said that the two countries have deepened mutual understanding and trust and strengthened friendship, unity and cooperation after the establishment of diplomatic ties. He expressed the belief that these excellent relations of friendship and cooperation would continue to grow stronger and develop in the future.

Dinka Tesfaye in his message says that close intimacy was formed between the leaders of the two countries with the first visit of President Haile-Mariam Mengistu to the Democratic People's Republic of Korea in 1983 and, thanks to this, the bonds between the two countries have been strengthened and friendly and cooperative relations have reached an excellent phase today.

The message expresses deep thanks to the party, government and people of the DPRK for extending timely support to Ethiopia, standing firm on her side.

Lebanese Party Sends Solidarity Message

SK0806163390 Pyongyang KCNA in English 1033 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—The Central Committee of the Workers' Party of Korea received a solidarity message June 1 from the Central Committee of

the Lebanese Communist Party supporting the five-point policy of national reunification put forward by the great leader President Kim Il-song in his policy speech made at the First Session of the Ninth Supreme People's Assembly.

Noting that the proposal for founding a democratic confederal republic of Koryo on the basis of the three principles of independence, peaceful reunification and great national unity is the most judicious and reasonable one, the message extends full support to the recent new policy for Korea's reunification.

The new policy of reunification has not only shown a short cut to the peaceful reunification of Korea but also made a great contribution to the peaceful settlement of the international disputes, it says.

It expresses the belief that the friendly relations between the two parties will further develop.

Swedish Embassy Holds Party on National Day

SK0606152490 Pyongyang KCNA in English 1501 GMT 6 Jun 90

[Text] Pyongyang June 6 (KCNA)—Goran Wide, charge d' affaires ad interim of the Swedish Embassy here, today gave a cocktail party at his Embassy on the occasion of the national day of the Kingdom of Sweden.

Invited there were Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly, Song Ho-kyong, vice-minister of foreign affairs, Yi Song-nok, vice-minister of foreign trade, Kim Chong-u, vice-minister of external economic affairs, Yi Chol-sin, vice-chairman of the Committee for Cultural Relations with Foreign Countries, and other officials concerned.

Foreign diplomatic envoys and Henning Karcher, resident representative of the United Nations Development Programme, here were also invited.

Speeches were exchanged at the cocktail party.

The party proceeded in a friendly atmosphere.

Foreign Delegations Arrive for Visits

SK0106232690 Pyongyang KCNA in English 1506 GMT 1 Jun 90

[spelling of all names as received]

[Text] Pyongyang June 1 (KCNA)—A Thai delegation for friendship with the Korean people headed by Namchai Namchaisiri, director of the Asian Textile Company of Thailand, arrived in Pyongyang today.

Earlier, on May 31, a Finnish solidarity delegation of the chuche idea study headed by Pekka Rantala, chairman of the Finnish National Committee for the Study of the Chuche Idea, and a delegation of the Kazakhstan Branch of the Soviet-Korean Friendship Society headed by Zhazilbekova Kalina Kozhakhmetovna, chairwoman of the branch, arrived here.

Deep Study of Kim Il-song Policy Speech Urged

SK0706110390 Pyongyang KCNA in English 1009 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—All the party members and other working people should make a deep study of the ideas, theories and policy advanced by the great leader Comrade Kim Il-song in his policy speech and thus embody them in their practical activities in order to successfully accomplish the cause of socialism, upholding the leadership of the party and the leader, says NODONG SINMUN today in an editorial.

The policy speech gives comprehensive answers to the questions of principle arising in the revolution and construction in our era from the questions of the basic characteristics and advantages of our man-centered socialism to the questions of conquering the two fortresses in the building of socialism and communism and bringing socialist democracy into full play, the questions of frustrating the imperialist aggressive manoeuvres and adhering to the principles and idea of socialism and the question of dynamically pushing ahead with the cause of national reunification and the cause of independence against imperialism. Embodied in it is an unswerving will of our party and people to carry the cause of socialism to accomplishment under the uplifted banner of the chuche idea under any circumstances.

What is important, above all, in the study of the policy speech is to have a deep, comprehensive understanding of the basic characteristics and advantages of our socialism, the embodiment of the chuche idea, the editorial notes.

Our socialism which has been built with the chuche idea (?as) its guideline is a man-centred socialism, a socialism in which the party and the masses are closely united ideologically and purposefully, and a socialism where all people fully enjoy a political life, cultural life and economic life in accordance with the essential demands off social beings and with the idea of socialism.

Also important in the study of the policy speech is o to make a deep study of the idea, theory and policy on accelerating the accomplishment of the cause of national reunification, smashing the imperialists' moves against socialism and forcefully promoting the cause of socialism and thoroughly carry them into effect, the editorial says, and stresses:

It is important for the party members and other working people to have pride and confidence through the study of the policy speech that their party and leader are great and their guiding idea and line are most judicious.

Editorial on Anti-Japanese Guerrilla-Style Life

SK0806104390 Pyongyang KCNA in English 1026 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—NODONG SINMUN today editorially calls for establishing more thoroughly the way of life of anti-Japanese guerrilla-style across the country in conformity with the developing reality.

This way of life run through with boundless loyalty to their leader and revolutionary cause, indomitable fighting spirit and revolutionary optimism is a paragon we should always follow.

Stressing that the way of life of the people struggiing to uphold the revolutionary principle under the banner of socialism should always be run through with a high degree of militancy and revolutionary spirit, the editorial goes on:

Life shows that when bourgeois elements infiltrate into the ideological and cultural life and the way of life, the revolutionary consciousness of people is paralysed and they become lax and easy-going to entail grave consequences in socialist construction.

We must more thoroughly establish a sound and militant way of life and social fashion in face of the imperialists' anti-socialist moves and their ideological and cultural infiltration.

To begin with, all the party members and working people must make a deep study of the glorious revolutionary traditions of our party and apply them to their daily work and life.

It is particularly important to strengthen the study of the revolutionary traditions among the rising generations.

It is of weighty significance in creating a revolutionary atmosphere and establisiing a sound social fashion in the whole society to widely disseminate revolutionary songs composed in the period of the anti-Japanese revolutionary struggle and guide the entire party members and working people to sing them in their daily life.

Especially, everyone should be made to sing such militant revolutionary songs full of spirit as the red flag. The words of this revolutionary song that let the coward go his way, but we will defend the red flag vividly reflects the revolutionary stand of our party and people to defend the banner of revolution and the banner of socialism and glorify them without the slightest vacillation under whatever circumstances. If we live and struggle in the spirit and will represented in the revolutionary song red flag, we need not to be afraid of any anti-socialist moves of the imperialists and can successfully fulfil any herculian task.

Deep attention should be also paid to following and carrying into practice the examples of the anti-Japanese guerrillas who led the cultural and emotional life in a militant and optimistic way.

Further on 18th Ministerial Railway Conference

Choe Yong-nim meets Participants

SK0106153590 Pyongyang KCNA in English 1504 GMT 1 Jun 90

[Text] Pyongyang June 1 (KCNA)—Vice-premier Choe Yong-nim today met and had friendly talks at the Mansudae Assembly Hall with the chairman of the Committee of the Organisation of Railways Cooperation [ORC] and heads of foreign delegations who participated in the 18th ministerial conference of the ORC. Minister of railways Pak Yong-sok was on hand.

Foreign Delegations Attend

SK0706112290 Pyongyang KCNA in English 1042 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—The 32nd annual meeting of the 11th sub-committee of the Organization of Railways Cooperation which opened here on June 4 closed today.

Participating in it were Wolf Juergen, chairman of the 11th sub-committee of the ORC, and delegations and delegates from the GDR, Mongolia, Bulgaria, the DPRK, China, Czechoslovakia, Hungary, Poland and the USSR.

The meeting reviewed the annual work of the subcommittee and discussed the orientation of its future work.

A protocol of the annual meeting was signed at the end of it.

Conference of ORC Closes

SK0406063290 Pyongyang KCNA in English 0505 GMT 4 Jun 90

[Text] Pyongyang June 4 (KCNA)—The 18th Ministerial Conference of the Organisation of Railways Cooperation [ORC] which opened here closed Sunday, after concluding the discussion of the agenda items.

The conference marked an important landmark in further enhancing the function and role of the committee of the ORC and developing the friendly and cooperative relations among the member states of the ORC.

The plenary meeting held prior to the closing meeting summed up the work of the committee of the ORC last year and discussed a series of matters including its long-term plan till 1995.

The meeting elected the new chairman and vice-chairmen of the committee of the ORC and discussed and decided on the venue and date of the 19th ministerial conference of the ORC.

It adopted a protocol of the 18th ministerial conference of the ORC.

The closing meeting was held at the People's House of Culture Sunday afternoon.

Pak Yong-sok, minister of railways, delivered a closing address at the meeting.

NODONG SINMUN on Children's Day

SK0106060490 Pyongyang KCNA in English 0431 GMT 1 Jun 90

[Text] Pyongyang June 1 (KCNA)—NODONG SINMUN today dedicates an editorial to the 40th anniversary of the June 1 international children's day.

The question of bringing up children healthily in happiness and educating and training them well has already been successfully solved in our country under the wise leadership of the party and the leader, the editorial says, and goes on:

The great leader Comrade Kim Il-song paid deep attention to the education and training of the children and Children's Corps Members already in the days of the arduous anti-Japanese revolutionary struggle and directed all loving care to rear them as reliable heirs to the revolution. Our party has built nurseries and kindergartens everywhere and established a superior system of bringing up, educating and training children at state expense.

Dear Comrade Kim Chong-il has further consolidated and developed the system of nursing and educating children and gives energetic guidance to bring them up better as heirs to the revolution in conformity with the new demand of our developing revolution in which the cause of modelling the whole of society on the Chuche idea is being accelerated.

It is a proud thing and an important advantage of our socialist system that the age-old desire of the mothers to bring up children well has been fully realized and all the children are happily growing under best conditions in the era of the Workers' Party.

The people and women in the North and the South are fellow countrymen of the same blood. The women in the northern half of the country will express solidarity with the South Korean women in the righteous struggle for their rights and freedom and for the democratisation of South Korean society and national reunification and wage a vigorous struggle to reunify the country by joining efforts with them.

The Korean people and women will develop the friendly and cooperative relations with the peoples and women of the world progressive countries in accordance with the idea of independence, peace and friendship and actively struggle in firm unity with them to provide all the children with peaceful and happy enviornment and conditions.

Children's Union Dedicated in Editorial

SK0606053790 Pyongyang KCNA in English 0446 GMT 6 Jun 90

[Text] Pyongyang June 6 (KCNA)—NODONG SINMUN today in an editorial dedicated to the 44th anniversary of the founding of the Korean Children's Union calls for bringing up the members of the children's union to be reliable successors to the revolution.

The Korean Children's Union, founded on June 6, 1946, is a revolutionary mass organisation of the Korean children, which has inherited the revolutionary traditions of the Saenal juvenile union and the anti-Japanese children's corps formed by the respected leader President Kim Il-song during the anti-Japanese revolutionary struggle.

With the foundation of the Korean Children's Union the Korean children came to have their genuine revolutionary organisation and to creditably grow up as successors to the revolutionary cause of chuche from their early years under the guidance of the Party.

Recalling that since its founding the Korean Children's Union under the wise guidance of the Party and the leader has successfully discharged its tasks as a true children's organisation of chuche type, the editorial says:

The entire members of the children's union are firmly arming themselves with the chuche idea of our party and growing up to be reliable new generation of the revolution who will brilliantly carry forward the revolutionary cause of chuche down through generations. The growth of a large contingent of the new generation of chuche type is the great pride of our people and, for this, the prospect of our revolution is promising and the future of the motherland bright.

Today when the cause of modelling the whole society on the chuche idea is being dynamically stepped up, we are confronted with a heavy task to more firmly bring up the rising generation to be revolutionaries of chuche type boundlessly faithful to the Party and the leader.

The most honorable task facing the organisations of the children's union is to rear the rising generation to be creditable successors to the revolutionary cause of chuche in conformity with the requirement of the developing revolution.

To this end, it is imperative to intensify the education in revolutionary traditions, revolutionary education and class education as well as education in loyalty among the members of the children's union and establish a noble way of life, the trait of voluntarily observing the socialist way of life and norms of collectivist life and let them lead a proper organisational life.

Choe Tae-pok at Children's Union Ceremonies

SK0706044290 Pyongyang KCNA in English 0424 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—Organizations of the League of Socialist Working Youth (LSWY) and the Children's Union across the nation held various functions such as joint meetings of organizations of the Korean Children's Union (KCU), general meetings of the union, ceremonies of admission to the KCU, art performances and sports and amusement on June 6 to mark the 44th anniversary of the founding of the KCU.

A ceremony was held in front of the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang to admit school children in the city to the KCU marking the 44th birthday of the KCU.

The ceremony was attended by Choe Tae-pok, alternate member of the Political Bureau and secretary of the C.C. [Central Committee], the Workers' Party of Korea; Choe Mun-son, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee; Choe Ki-yong, chairman of the Education Commission; Choe Yong-hae, chairman of the C.C., the LSWY; and others.

Prior to the ceremony, the participants laid a basket of fragrant flowers at the foot of the statue of the respected father Marshal Kim Il-song, reflecting the single hearted loyalty of the entire Children's Union members.

The speakers at the ceremony stressed that the Children's Union members should study hard and zealously participate in the organizational life of the union and prepare themselves as loyal and filial sons and daughters of the respected father Marshal Kim Il-song and the dear leader Mr. Kim Chong-il and grow up to be prominent scientists and inventors and reliable youth vanguards in the future.

Ceremonies of admission to the KCU were held in all provincial seats, joint meetings of KCU organizations at cities and counties and art performances, folk games, sports and amusement and other functions at KCU organizations of schools.

Number of Intellectuals Reaches 1.46 Million

SK0706114890 Pyongyang KCNA in English 1028 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—The first session of the Ninth Supreme People'A assembly of the DPRK which was held recently in Pyongyang noted with pride that the number of the intelligensia of the nation as reached 1.46 million.

Right after the liberation of Korea, more than 80 percent of the population was illiterates, there were only dozens of technicians who graduated from university and there was no university.

Education in Korea started with an anti-illiteracy campaign right after the liberation and today the assimilation of the whole of society to the intelligentsia is within a hailing distance.

This is a fruition of the chuche-orientated education policy of the Workers' Party of Korea and he superior socialist educational system of Korea.

There have been built many universities in different parts of the country over the 40 odd years since Kim Il-song University, the first university of the people, was established in 1946.

The 1980s alone witnessed the appearance of more than 100 new universities.

The number of the universities of the nation has reached 270.

Besides the increase of the higher education institutions, new academic subjects have been introduced, new departments and courses instituted and the scope of the training of technicians and specialists expanded.

Especially, a well-regulated system of studying while working has been established, and many factory colleges and colleges of farmers and fishermen have taken shape so that the training of native cadres can be accelerated.

Today 1.46 million intellectuals, who have grown up at schools at different levels, excellently manage state and economic organs, scientific and educational institutions, modern industrial establishments and coop farms and play a big role in the development of science of the nation.

In 1993, the last year of the Third Seven-Year Plan, the number of technicians and specialists of Korea will reach two million.

'Revolution in Light Industry' Dedicated

SK0806104190 Pyongyang KCNA in English 1020 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—NODONG SINMUN today dedicates a signed article to the first anniversary of the publication of the great leader President Kim Il-song's work "Let us implement the party's policy of a revolution in light industry by raising revolutionary spirit, party spirit, working class spirit and serve-the-people spirit of Functionaries".

The work gives comprehensive answers to questions from building and developing light industry to the tasks and ways to constantly improve the people's living, the questions arising in raising the revolutionary spirit, party spirit, working class spirit and serve-the-people spirit of functionaries as servants of the people in particular.

The article says:
Korea which could not produce properly even a pencil in the past has built a chuche-orientated, modern light industry to successfully produce and supply all the light

industrial goods needed for the people's living. This is attributable to the fact that our functionaries have struggled as servants of the people in the revolutionary spirit, party spirit, working class spirit and serve-the-people spirit in hearty response to the intention of the party and the leader.

Only a revolution in light industry makes it possible to provided our people with a more abundant and cultured life and bring the advantages of our most advanced socialist system into fuller play.

It entirely depends on the revolutionary spirit, party spirit, working class spirit and serve-the-people spirit of the functionaries to streamline the existing light industrial factories, additionally create production capacity and successfully solve the problem of raw materials and power needed for the production.

The article calls upon the functionaries to launch a vigorous campaign for further raising the people's living to standard in a short span of time with a high degree of revolutionary spirit and militancy.

Drive To Produce Consumer Goods Under Way

SK0606050790 Pyongyang KCNA in English 0425 GMT 6 Jun 90

[Text] Pyongyang June 6 (KCNA)—A vigorous drive is underway in all parts of area to produce "August 3 consumer goods" to implement the policy of the Workers' Party of Korea on making a revolution in the light industry.

This drive makes it possible to rapidly increase the production of consumer goods without much investment of the state by actively utilizing by-products and waste materials at industrial establishments.

In the course of this drive, the number of the workshops, workteams, housewives' workteams and sideline workteams specializing in the production of the "August 3 consumer goods" has increased to tens of thousands, the number of the producers to hundreds of thousands and the production 3.4 times and the variety of products to 10,000 nationwide over the past four years.

Songchon District of Hamhung City produces 1,500 kinds of main items and 14,000 kinds of subsidiary items of "August 3 consumer goods" to meet the needs of the people.

Pyongchon and Taedonggang districts of Pyongyang Municipality produce "August 3 consumer goods" in great quantities, largely contributing to the improvement of the people's standard of living.

The industrial establishments and housewives' workteams and sideline workteams including the Songjin steel complex and the Hwangju County housewives production cooperative in North Hwanghae Province strive to increase the variety and quantity of consumer goods.

Exhibition of Consumer Goods Opens in Pyongyang

SK0706151890 Pyongyang KCNA in English 1459 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—An exhibition of consumer goods is open in Pyongyang, drawing many visitors.

On display in the exhibition are about 4,000 kinds of goods in terms of basic variety and about 20,000 kinds in terms of expanded variety which were produced by light industrial establishments and by the daily necessaries shops of different industrial establishments.

Also on show are books of "samples of consumer goods" recently brought out by the light industrial fine art publishing house. Those books contain designs of 50,000 kinds of consumer goods.

Among the products on display are vinalon flannelette, vinalon knitwear, vinalon of high intensity, tv sets, electronic watches, tape-recorders, pianos, nutritious foodstuff developed on new materials and household utensils, whose quality is at a very high level.

Those exhibited goods are now under mass production or scientific and technical preparations have been made for their early mass production.

Success in Development of Aquatic Resources

SK0106061490 Pyongyang KCNA in English 0426 GMT 1 Jun 90

[Text] Pyongyang June 1 (KCNA)—A signal success has been registered in the development, utility and protection of aquatic resources in Korea.

All the rivers and reservoirs of the country have turned into natural fish breeding grounds and some 120 man-made fish farms teem with fishes of various species.

Lakes Yonpung, Taesong, Sohung and 1,700 other reservoirs and 14,000 kilometres of river dikes and hundreds of kilometres of anti-tidal dykes have been built to protect land and aquatic resources.

In recent years fish resources in the river Taedong increased more than ten times with shoals of fish swimming upstream from the West Sea through the fish-ways of the West Sea barrage, a grand monumental edifice, and the rivers flowing through industrial zones also teem with fishes.

In the East and West Seas underia pinnatifia, tangle, mussel, oyster and other seefood of dozens of kinds are cultivated for the betterment of the people's living.

Riverside Park of Nangnang Street Being Built

SK0206043390 Pyongyang KCNA in English 0413 GMT 2 Jun 90

[Text] Pyongyang June 2 (KCNA)—A modern park is being built in peculiar style on the Taedong River bank

along the Nangnang Street which is now under construction in the southern area of Pyongyang.

There are four recreation districts in the park with a plottage of some 1,500,000 square metres.

Golf links, a bathing-place, a fun-fair and wading pools will be built in the district of activity. A glass-roofed wading pool and an open-air wading pool are linked with each other.

The district of tranquility will be covered by trees and flowers. Conspicuous will be tendrils of trees providing good shades.

In the district of rest and scenery soft lawns will spread like a carpet and a tennis court and playgrounds will be laid out.

The beautiful landscape and flower scent of the promenade rest district will stimulate the emotional sensation of the strollers.

Besides, Korean wrestling and swinging sites and other folk playgrounds and a laughing home will be set up in the park.

The approaches and roads to the park will be convenient to people.

The park was designed by the Pyongyang City Planning and Designing Office.

Construction of Power Stations Stepped Up

SK0206115090 Pyongyang KCNA in English 1008 GMT 2 Jun 90

[Text] Pyongyang June 2 (KCNA)—Korea is increasing investments in the power industry and is energetically stepping up the construction of power stations.

The construction of ten odd large-scale hydraulic and thermal power stations with a total generating capacity of millions of kw [kilowatts] including the Taechon, Yongwon and Namgang power stations are progressing with great rapidity. The construction of the December thermal power plant is being vigorously accelerated. It will supply power to the two million-ton capacity steel works which is now taking shape in Kangson district.

The builders there have finished in the main the assembling of the equipment of boilers Nos. 1, 2 and 3 in a short period and are pressing on the assembling of three boilers in the final stage.

The construction of the East Pyongyang thermal power plant is also going on at a fast speed. It will provide heat and light to the apartment houses now rising up in Naknang Street, Pyongyang.

People across the country are accelerating the construction of minor power stations with the goal of building more than 500 power stations this year by actively tapping and utilizing local equipment, material and rich water resources.

When the large and minor power stations now under construction are completed, the growing needs of the national economy for power will be met more satisfactorily.

New Silica Mine Developed at Sunchon Complex

SK0506105890 Pyongyang KCNA in English 1008 GMT 5 Jun 90

[Text] Pyongyang June 5 (KCNA)—A new high-grade silica mine has been developed at the Sunchon cement complex, a large cement producer of Korea.

The complex built a broad highway leading to the mine, an ore-dropping chute and a compressor station and created conditions for opencast mining.

The silica recently discovered near the complex is ten percent higher in grade than that transported from hundreds of ri away.

The development of the large-scale opencast silica mine provides a firm guarantee for a high and steady rate in cement production.

Meanwhile, the complex has found a reserve to produce 900,000 extra tons of cement a year without an increase of workforce and equipment by using dust ore of limestone which had been dumped at the Songsan mine and soot of a thermo-power station. A project is underway to secure dust ore and soot.

Half-Year Targets Fulfilled in Many Plants

SK0506215890 Pyongyang KCNA in English 1458 GMT 5 Jun 90

[Text] Pyongyang June 5 (KCNA)—A growing number of units are fulfilling their first half-year plans ahead of schedule in many fields of the national economy of Korea.

The Sunam minor coal mine, Kowon County, the Munchon Disabled Soldiers Factory of Domestic Electric Appliances, the Kaesong Ginseng (insam) Processing Factory, etc., Have honored their first half-year assignments more than one month earlier than schedule.

Many factories and enterprises including the Imyongsu Forestry Station and the Hwadae Farm Instrument Factory beat their first half-year targets two months earlier.

The Manpo Chemical Factory topped its first half-year quota 26.5 percent at the end of April and the Huichon Garment Factory carried out two months and a half ahead of time its first half-year plan which had been set 60 percent higher than last year's corresponding period.

The Yonggang Condenser Factory fulfilled the first half year plan set 80 percent higher than the like period last

year at 101.2 percent on April 12. Its monthly output of porcelain condensers, automatic elements, entering this year is 150,000 more than last year.

The preschedule fulfilment of the first half-year targets have been announced by many other industrial establishments including the Songchon Silk Mill, Changyon Disabled Soldiers Phamaceutical Factory, the Kaesong Embroidery Exports Factory and a large number of workshops and workteams. The units carrying out the yearly plans are also increasing.

Rice-Transplanting Completed in Most Areas

SK0606050390 Pyongyang KCNA in English 0422 GMT 6 Jun 90

[Text] Pyongyang June 6 (KCNA)—Rice-transplanting was completed on June 5 in all areas of Korea excluding the northern highlands.

Although unfavourable weather persisted under the influence of the abnormal climate the co-op farms across the country nursed stout rice seedlings as required by the chuche farming method and finished rice-transplanting in the most proper season with the mobilization of tractors, rice-transplanting and rice-seedling plucking machines and other kinds of farm machines.

Those in the granaries on the east and west coasts including South Hwanghae, South Pyongan and South Hamgyong provinces completed rice-transplanting before other provinces by increasing the operation rate of the rice-transplanting machines, giving precedence to harrowing and seedling plucking.

After the completion of rice-transplanting, the coop farmers are meticulously doing the work of weeding and fertilizer spraying in paddy and non-paddy fields.

Local Industrial Output Up by 10 Percent

SK0706045690 Pyongyang KCNA in English 0419 GMT 7 Jun 90

[Text] Pyongyang June 7 (KCNA)—The working people in the domain of local industry of Korea are making innovations in production on the occasion of their holiday, day of local industry (June 7).

Chon Sok-nam, director of the Production Guidance Bureau of the Ministry of Local Industry, told KCNA that the local industry output value in the first five months this year was ten percent higher than that in the same period last year.

Many factories, workshops and workteams under the ministry of local industry have overfulfilled their assignments for the first half of the year.

Every city and county of Korea has modern local industrial factories including oil factory, garment factory and furniture factory.

The factories number several thousand nationwide and produce tens of thousands of kinds of consumer goods.

The local industry is an important base of the production of consumer goods for meeting the needs of local people by utilizing local raw materials and manpower.

The output of the local industry today accounts for more than a half of the nation's production of consumer goods.

Calcium Silicate Brick Factory To Be Built

SK0806043790 Pyongyang KCNA in English 0424 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—A modern calcium silicate brick factory will be built in Wiyon, Yanggang Province.

The factory with a total floor space of 6,000 square metres will consist of such buildings as crushing, moulding and baking shops.

The factory will annually produce 34 million bricks with pumice stone of Mt. Paektu abundant in this area as major raw material, and all the production processes will be put on a conveyer system.

Brick production bases are taking shape in different parts of Korea in keeping with the brisk construction of dwelling houses in towns and villages.

The construction company of the Taehongdan county general farm has built its own calcium silicate brick factory and produces large quantities of good-quality bricks with pumice stone as raw material.

Korea built calcium silicate brick factories with a total annual production capacity of 1,000 million pieces in Anju, Hamhung and Pihyon some years ago and produces good-quality bricks.

South Korea

Further on No-Gorbachev Summit Meeting

No Returns Home

SK0806102490 Seoul YONHAP in English 1005 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—South Korean President No Tae-u, showing confidence in an independent settlement of the Korean question, on Friday urged North Korean leader Kim Il-song to sit down with him to discuss reconciliation and unification.

In a statement on his return from a six-day trip to the United States, during which he met with Presidents Mikhail Gorbachev and George Bush, No said: "North Korea should abandon its isolationist policy in favor of openness, and join us in our effort to achieve inter-Korean reconciliation and unification. President Kim

Il-song is once more urged to accept our repeated proposal for a South-North Summit."

No arrived at 7 P.M. from Honolulu, Hawaii, where he made a stopover after winding up a working visit that took him to San Francisco for a historic meeting with Gorbachev on Monday and then to Washington for talks with the leader of Korea's staunch ally on Wednesday.

"Both the United States and the Soviet Union are calling for an independent settlement of the Korean question and for Korea to take the lead. The time is gone when major powers stood in the way of reunification," No said.

Reviewing his meeting with Gorbachev, No termed it a historic event that will have a direct bearing on the destiny of mankind.

"Korea is the only nation in the world that is still divided by cold war politics... President Gorbachev and I agreed that a spring of detente must arrive on the Korean peninsula to thaw the cold war's deepest freeze," No said.

Now that the Soviet Union, the closest supporter and ally of North Korea, is normalizing relations with the South, the North has no choice but to change, he said.

On his meeting with Bush, No said, "President Bush expressed the belief that the Korea-Soviet summit will greatly contribute to the security of Northeast Asia and peace on the Korean peninsula."

The two reaffirmed that supporting reforms in the Soviet Union and Eastern Europe would help the cause of freedom and peace, and that their nations should cooperate closely toward that end, he said.

Sounding euphoric, No added, "it was 45 years ago at Yalta that the world powers arbitrarily sliced our nation into two halves, but Korea is no longer a helpless nation on the periphery of world affairs."

He was received at the airport by National Assembly speaker Pak Chun-kyu, Chief Justice Yi Il-kyu, Prime Minister Kang Yong-hun, Chairman Kim Yong-sam of the ruling Democratic Liberal Party (DLP) and other senior leaders of the DLP and the government.

No Interviewed on Summit

SK0806050690 Seoul THE KOREA HERALD in English 8 Jun 90 pp 1, 5

[By correspondent Kang Song-chol]

[Text] Honolulu—President No Tae-u arrived here Wednesday afternoon (Thursday KST) on his way home after completing a three-day visit to the United States during which he met with Soviet President Mikhail Gorbachev and U.S. President George Bush, dramatizing a Seoul-Moscow warming that holds the potential to extend detente from Europe into Asia and eventually to reunify Korea.

No and his official entourage are to return home Friday (KST) after an overnight stay here. In Washington, No met with Bush on Wednesday to brief him on his historic one-hour meeting with Gorbachev in San Francisco. Bush endorsed No's efforts to normalize Seoul-Moscow relations while promising to continue efforts to urge North Korea to change its Stalinist line.

Following his 50-minute meeting with Bush at the Oval Office, No had a luncheon meeting with Korean Embassy in Washington.

"My historic meeting with Soviet President Gorbachev in San Francisco Tuesday may serve as an occasion for Moscow to put pressure on North Korea to change its attitude toward openness and reform for eventual inter-Korea reconciliation," No said, adding that the next diplomatic goal is to promote ties with China and inter-Korea relations.

No also disclosed that Gorbachev agreed to help Seoul bring Pyongyang out of its self-imposed isolation.

Following are excerpts from question and answers with Washington-based Korean correspondents at the Korean Embassy press session.

Q: Could you feel during your conversation with Gorbachev that he looked forward to Korean economic assistance?

A: Yes, I could feel it. But he did not mention it clearly because he took economic assistance from Korea for granted, judging from newspaper reports. Early press disclosure of the San Francisco summit did harm to national interests.

Q: Some people were concerned about Moscow's sincerity toward the summit. How was Gorbachev's attitude?

A: He said what I wanted to say before I did. At the beginning of the meeting, he said that our meeting is the first step toward the normalization of ties. He also said our meeting would melt the ice between the two countries. We felt as if we had known each other for a long time.

Q: Did you hear from President Bush about what was discussed on the Korean question at his meeting with Gorbachev?

A: Bush told me that he expressed concern about Pyongyang's formidable military might and urged Gorbachev to exercize his influence to prevent Pyongyang's nuclear development. Bush also asked Gorbachev to coerce Pyongyang to give up terrorism and join an international nuclear safety pact. Gorbachev was receptive to Bush's demand and in turn called on the United states to exert corresponding efforts.

Q: What plan do you have for talks with North Korea?

A: I have been making meticulous preparations. But much depends on the North Korean attitude. My meeting with Gorbachev would be a shock to Pyongyang for some time. But Pyongyang, as time goes by, cannot help moving along with the currents of history.

Q: What do you think about Pyongang's arms reduction proposal?

A: The proposal contains nothing new. It is not designed for genuine arms reduction. The two sides will have to meet first to get real arms reduction started. A unilateral proposal would not bring about arms reduction.

Q: The U.S. administration has expressed the view that arms reduction could be made on the Korean Peninsula in the way that European countries have done.

A: It is a different story. I discussed the issue with Bush today but the point is that Pyongyang should discard its policy of unifying the peninsula through military force and be willing to reduce arms after building up confidence with the south. I pointed out to Bush the need for the United States to maintain a military presence at an appropriate level in Northeast Asia and Bush was sympathetic.

Q: Do you think the attitude of China would affect the speed at which Seoul and Moscow set up relations?

A: Without doubt, I think that my summit with Mr. Gorbachev came as a shock to China. In fact, economic issues are the first consideration and politics come next for China in its relations with South Korea. They (China) would not go against the worldwide trend any longer. In this vein, our relations with the United States, Japan and the Soviet Union would eventually exercise tremendous influence on Beijing's attitude toward Seoul.

Q: Have you any plan to visit Beijing on the occasion of the Asian Games this fall?

A: I have not thought about going to China in the immediate future.

Q: The popularity of the ruling DLP [Democratic Liberal Party] once went down to as low as 14 percent, according to a public opinion poll. Do you think that your successful summit with Mr. Gorbachev would help regain the lost popularity?

A: I don't care much about popularity. What I am supposed to do is to do my best in my capacity as President. The same is true for the ruling party.

Q: Did you ask Mr. Gorbachev to meet again soon?

A: I said simply good bye and he said the same in Russian when we separated. In the course of dialogue, however, there was discussion about an exchange of visits which he said is possible when the time is ripe.

Q: From now on, they say that it is desirable for the South to show a generous attitude toward the North...

A: I told Mr. Gorbachev that the improved Seoul-Moscow relations should not bring about soured Moscow-Pyongyang relations. I stressed that South Korea hopes North Korea will join the international community. To this end, I asked for his full support and cooperation. Mr. Gorbachev seems to have been impressed by such a request.

Q: Rumor had it that the United States is not pleased with the northern policy?

A: That is not true. The United States played a pivotal role in materializing the Seoul-Moscow summit meeting. U.S. position is to continue to support Korea's ongoing efforts to improve relations with the socialist bloc.

Q: In just a couple of weeks, you have met with Japanese Prime Minister Kaifu, Soviet President Gorbachev and U.S. President Bush. What is your assessment of the three leaders?

A: Prime Minister Kaifu is an energetic new leader armed with firm leadership and sincerity. No need to mention U.S. President Bush. Mr. Gorbachev seems to be quite different from other Soviet people I've thus far met.

I got the strong impression that he is quite flexible in the course of dialogue. He appeared to have a strong will and sense of mission to change the course of Soviet history.

Q: Did you ask for Gorbachev's cooperation in Seoul's bid to enter the United Nations?

A: We didn't have a concrete discussion about it.

Q: What is the possibility that you may meet with China's top leader?

A: It's inevitable task.

Q: A Tass report has said it is not likely that normalization of diplomatic ties between Seoul and Moscow will come soon.

A: We should not push it too fast and maybe the ongoing improvement of bilateral relations is going too fast. We will push it in a way that is neither slow nor too fast. Normalization of diplomatic ties wouldn't solve all the problems, and in economic cooperation between the two countries, there are many problems to be settled.

Q: Don't you think the Seoul government should make efforts to help remove risks expected in economic cooperation between Seoul and Moscow?

A: Of course. The difference in system makes it difficult for private business firms to spearhead economic cooperation. The governments should conclude pacts on guaranteeing investments and on prevention of dual taxation. And as the ruble is inconvertible, I think at the first stage barter trade will be the major form of trade.

Q: When do you expect Seoul and Moscow to normalize relations?

A: Not so late. I think they will be normalized according to the needs of both sides.

Q: What kind of changes do you expect in the military alliance between Moscow and Pyongyang?

A: It was Gorbachev's insistent call that military power should be reduced. I pointed out to Gorbachev that North Korea has had a difficult economic situation by overinvesting in its military power, and he showed an agreeing smile.

Q: Did Gorbachev talk about withdrawal of the U.S. forces in Korea?

A: No, he didn't. He, on behalf of the North, talked about withdrawal of U.S. nuclear weapons, and I said I am not in a position to talk about U.S. warheads, adding North Korea should not produce nuclear arms.

Q: What is Moscow's estimate of their influence on Pyongyang?

A: He didn't talk specifically about that. But Gorbachev hinted Moscow still retains influence over Pyongyang when he asked me what I want him to do about North Korea. I felt it would take some time for Moscow to change Pyongyang's mind.

Gorbachev Not 'Faithful to Protocol'

SK0806030890 Seoul THE KOREA TIMES in English 6 Jun 90 p 1

[By staff reporter Kim Chang-yong]

[Text] Presidents No Tae-u of Korea and Mikhail Gorbachev of the Soviet Union have cleared the way for a normalization of relations between their countries, but the question of when to establish bilateral diplomatic ties will largely depend on how much Moscow needs the Korean economy to put vigor into its sagging economic performances.

Their summit, a prelude to the setup of diplomatic ties, functioned as a forum to compare their positions on Seoul's long-held desire for diplomatic recognition from Moscow and Moscow's badly required economic assistance from Seoul.

No date for the marriage of the two causes was, however, set in yesterday's meeting in San Francisco, though the two leaders left further discussions in the hands of "competent experts" of both countries.

No grandiosely described the one-hour meeting "epoch-making," yet stopped short of giving an exact date for the establishment of full diplomatic relations. South Korea and the Soviet Union now maintain consular relations, and engaged in bilateral trade with an annual expected to reach $1 billion this year.

"As a result of our meeting, normal bilateral relations will be established...further steps will require time but we are very hopeful," he told reporters after the much-publicized session.

Emerging from the talk, Gorbachev made only a general remark on improving ties with Pacific rim countries without specifically mentioning South Korea. "We must improve relations with everyone who lives there and not do it selectively."

He was absent from the press conference and was not faithful to protocol worthy of a "historic summit," having No wait for over an hour and treating him as if he were a private economic patron and not the head of state who had flown thousands of miles to confer on crucial matters of mutual concern.

Despite the lack of protocol, the No-Gorbachev meeting itself is indeed of great significance, as No put it. It served as a signal that Moscow has come to acknowledge Seoul's long-standing calls for dialogue and therefore as a veiled warning to the staunch Communists in the North.

The meeting will give a green light to administration and business circles in Seoul to rush to Moscow and launch a variety of projects aimed at encouraging the Soviets to sign a protocol on the setup of full formal ties.

Just one day after the meeting was formally announced in Seoul on Friday, a high-level government mission, accompanied by more than 20 leading businessmen, departed for Moscow to find ways to step up economic and trade relations.

Assistant Foreign Minister Yi Chong-pin, who was preparing for the meeting, said, "Korea is already hardly a negligible country in the international community. If we poured our energy and capacity into one direction, no country could remain with its doors closed to us."

He noted that the Soviet Union is in dire need of a mountain of daily necessities and dollars in a bid to keep Gorbachev's perestroyka in motion. Seoul's stance is that no large investment and economic aid, Seoul's one of a few diplomatic tools, could be made without the establishment of diplomatic ties, a position which contrasts sharply with the socialist countries' theory that economic relations could gradually develop into diplomatic links.

President No declared that the normalization of relations should boost bilateral trade and economic cooperation. "This should greatly accelerate the development of both economies because our countries are not only close geographically to the Soviet Union, but are also economically complementary."

The meeting, albeit surely too brief to break barriers in the minds of the leaders, also offered No a chance to explain the South Korean posture on the Korean problem to Gorbachev, who so far has been accustomed to hearing only rival North Korean conceptions.

He asked Gorbachev to "support and help our efforts to bring North Korea to meaningful dialogue as well as to increase exchanges and cooperation." He said he and Gorbachev have agreed that "it is time that the waves of openness and detente reached Northeast Asia, especially the Korean peninsula," which he termed the last area of tension of the Cold War. Gorbachev, the champion of openness and reforms now sweeping throughout the world, is expected to place pressure on North Korea to open its doors to the West and restructure its economy and society in line with his own policies of perestroyka and glasnost.

But his pressure would not be vociferous but tacitly through his actions just as in the meeting with No so as not to provoke Kim Il-song in the wrong way, the observers said.

North Korea is heavily dependent on the Soviet Union; 60 percent of its trade, 70 percent of its arms procurements and 80 percent of its debt come or have come from the Soviet Union.

Gorbachev Carries Message for North

SK0806001990 Seoul Domestic Service in Korean 2100 GMT 7 Jun 90

[Text] A high-ranking ROK official said that at the recent ROK-Soviet summit talks, President Mikhail Gorbachev agreed to pass an important message by President No Tae-u to North Korea's Kim Il-song. The official said that in his message, President No states that South Korea will not seek military superiority over North Korea. President No also called for talks with Kim Il-song in the message.

Meanwhile, at a briefing immediately after the Korean-U.S. summit talks, a ROK diplomat said that President No sent a message to Pyongyang, through President Gorbachev, in which he said that he is willing to help North Korea open up.

Hopes Raised for Inter-Korean Ties

SK0806031890 Seoul THE KOREA HERALD in English 8 Jun 90 p 2

["News analysis" by correspondent Kang Sung-chol]

[Text] Honolulu—President No Tae-u's summit diplomacy these past two weeks has produced results which raised hopes for a breakthrough in the stalled inter-Korea relations. In the span of less than two weeks, No met leaders of the United States, the Soviet Union and Japan—three of the four major powers whose roles are considered important in resolving the Korean question. The President may also have a chance to visit the remaining country, China, at the Beijing Asian Games this fall, according to some reports. These developments clearly indicate that some significant changes are under way in the political climate on and around the Korean Peninsula. Some analysts even talk about the possibility of tearing down the Asian equivalent of the Berlin Wall.

Of No's "shuttle summit diplomacy," his meeting with Soviet leader Mikhail Gorbachev in San Francisco June 4 attracted the most attention. The unprecedented meeting between leaders of the two countries, which had maintained hostile relations for decades, has generated optimistic views that waves of political reconciliation as witnessed in other parts of the world may soon reach the peninsula. After meeting Gorbachev, No said he and the Soviet leader agreed to normalize bilateral relations and expand economic, cultural scientific and other exchanges between their two countries.

North Korea will initially respond harshly to the move by Moscow, one of its traditional allies, when it opens full diplomatic ties with Seoul, but analysts generally agree that it will eventually have no other choice but to accept the development as a fait accompli and think again about its isolationist policy.

Officials in Seoul hope that Seoul's normalized relations with Moscow will put pressure on Pyongyang to come out of its isolationist policy and open itself to the rest of the world. They believe that Moscow has considerable leverage over north Korea, particularly given the fact that the north cannot but be dependent on the Soviet Union for the maintenance of its military facilities.

But the Seoul government is unlikely to try to drive the north into a corner, out of the belief that further isolation of the north will not be in the interests of the south.

The United States also has high stakes in changes in the political situation on and around the Korean Peninsula. Reduced tensions in the region will enable it to expedite the process of withdrawing its armed forces stationed in south Korea. It plans to reduce the number of its soldiers in south Korea, now standing at 43,000, by 7,000 over the next two years.

In this context, Washington also supports Seoul's move to normalize relations with Moscow, as President George Bush told No in their meeting in Washington June 6.

Depending on changes in the attitude of north Korea, the United States may seek to increase contacts with Pyongyang toward improved ties. U.S. officials seem to regard the north's recent return of the remains of five U.S. servicemen killed during the 1950-53 Korean War as a favorable sign.

Officials in Washington have made it clear, however, that their further expansion of contacts with north Korea would be dependent on whether the north would follow the path of reconciliation with Seoul. In their June 6 meeting at the White House, Bush agreed with No that Pyongyang should resume talks with the south before seeking to expand contacts with Washington. The United States is also likely to put pressure on the north to join an international accord on nuclear safety which would allow international inspection of its nuclear facilities.

In pushing for normalized ties with Seoul, the Soviet Union placed utmost emphasis on economic aspects. It must have judged that it has much to gain from expanded exchanges with Seoul, especially in the field of consumer goods. The Kremlin must also think that improved ties with Seoul would be conducive to effectively carrying out its policy to increase its influence in the Asia-Pacific area.

Seoul, in the meantime, is pushing for closer ties with Moscow, while trying to consolidate cooperative relations with its traditional allies such as the United States and Japan.

No and Bush, meeting for the third time as presidents of the two nations, agreed that they are fully in accord over Seoul's northern policy and other major developments regarding the political situation on and around the Korean Peninsula.

In his state visit to Japan late last month, No also obtained the understanding of Japanese leaders for the northern diplomacy, and helped foster an atmosphere for forming "future-oriented" relations between the two neighboring nations.

China has maintained a somewhat reluctant attitude in exchanges with Seoul since the Tiananmen Square incident last June, the bloody military suppression of pro-democracy demonstrators. Behind the reluctance may also be Beijing's consideration of Pyongyang's position. But analysts generally believe that Beijing will follow the example of Moscow in the not too distant future and a significant turning point in Seoul-Beijing relations may come at this year's Asian Games.

Changed relations between Seoul and other countries surrounding the peninsula would certainly bring about a change in the political and security situation in the region, and Koreans hope that this change will help reduce tensions on the peninsula and open the gateway to national reunification.

Ties Will Help With Reunification

SK0806093690 Seoul TONG-A ILBO in Korean 6 Jun 90 p 1

[Report by Chong Chul-to, director of TONG-A ILBO's opinion poll department]

[Text] Approximately 70 to 80 percent of our people predict that, as a result of an agreement in principle reached by President No Tae-u and Soviet President Gorbachev at their summit talks to establish diplomatic relations, tension on the Korean peninsula will be significantly alleviated, the possibility of war has become slim, and the reunification of the North and South will be hastened.

However, regarding the question of how quickly northern policy has been implemented, approximately 40 percent say that the policy has been carried out "too fast," and approximately 50 percent say that our country will not profit from our economic cooperation with the Soviet Union. Regarding the question of how improved ROK-Soviet relations will influence North Korea, approximately 40 percent of the people say that this will hasten North Korea's opening up, and regarding the question of how improved ROK-Soviet relations will influence relations between the ROK and China, almost half of the people say that this "will favorably influence" relations between the ROK and China.

These sentiments are reflected in a survey that TONG-A ILBO's opinion poll department, along with the assistance of Seoul Marketing Survey, conducted on the night of 5 June, when it was announced that an agreement in principle had been reached at the ROK-USSR summit to establish diplomatic relations. This telephone survey polled 1,600 adult men and women from across the country (excluding people from Cheju Province).

Regarding the question of "what influence the agreement in principle to establish diplomatic relations between the ROK and the Soviet Union will have upon the alleviation of tension and the promotion of peace on the Korean peninsula," 76.2 percent said that this "will have favorable influence," and only 4.3 percent said that this "will have adverse influence."

Regarding the question of "what influence the establishment of diplomatic relations between the ROK and the Soviet Union will have on achieving reunification on the Korean peninsula," 65.6 percent said that this "will have favorable influence," and only 6.5 percent said that this "will have adverse influence."

Regarding the question of whether a war may break out on the Korean peninsula, 22 percent said that "a war will never break out," and 47.5 percent said that "the possibility of a war is slim." This means that approximately 69.5 percent of the respondents judged that the possibility of a war has become slim. Only 19.5 percent said that the possibility of a war is "very enormous" (2.9 percent) or that the possibility of a war is "enormous" (16.6 percent).

Meanwhile, TONG-A ILBO's 24 February 1990 survey, which polled 2,000 adult men and women from across the country, 33.9 percent, more than a third of the people, said that the "threat of North Korea's southward aggression is serious."

Regarding the question of what influence the improvement in relations between the ROK and the Soviet Union will have upon North Korean society, 42.9 percent said that this "will hasten North Korea's opening up." Meanwhile, 19.3 percent said that this "will have no influence," and 18.8 percent said that this "will keep North Korean society more closed." This means that many people expect that this will hasten North Korea's opening up.

Also, regarding the question of what influence the normalization of relations between the ROK and the Soviet Union will have on relations between the ROK and

China, 45.4 percent said that this "will have favorable influence." Meanwhile, 28.2 percent said that this "will have no influence," and 6.1 percent said that this "will have adverse influence." Therefore, almost a half of the respondents expect that this will improve relations between the ROK and China.

Regarding the question of how quickly northern policy has been implemented, approximately 41.3 percent said that the policy has been carried out "too fast," while 30.7 percent said that the policy has been carried out "reasonably fast," and 11.1 percent said that the policy has been carried out "too slowly."

Approximately 41.7 percent said that country country will "not profit greatly" from our economic cooperation with the Soviet Union," and 7.9 percent said that our country will "suffer losses," while 30.5 percent said that our country "will benefit greatly." It is noteworthy that approximately half of our people (49.6 percent) believe that prospects are not bright for our economic advance into the Soviet Union.

However, 59.9 percent said that Gorbachev gave them a "good impression," while 12.2 percent said that he gave them a "bad impression." This shows that Gorbachev is very popular among our people.

Poll Shows Support for Summit

SK0806114490 Seoul CHUNGANG ILBO in Korean 7 Jun 90 p 2

[Text] Among eligible voters surveyed, 71.9 percent regard the summit between President No Tae-u and President Gorbachev as being beneficial to the cause of national reunification, and 74.2 percent have expressed expectations for a North-South summit.

According to the results of a 6 June telephone survey in which the public opinion poll team of CHUNGANG ILBO's Data Bank Bureau questioned 1,000 men and women over the age of 20, 31.4 percent of the respondents said they believe that the ROK-USSR summit will greatly help the work to reunify the North and South, while 40.5 percent said that the summit will be somewhat helpful. Thus, they view the ROK-USSR summit as a positive event in terms of its effect on national reunification.

Regarding the question of a possible North-South summit, 8.9 percent of the respondents said such talks "will be held sooner or later," while 65.3 percent said that "though a little time may be needed, such talks certainly will be held." Thus, 74.2 percent of the people positively assess the possibility of holding a North-South summit. On the other hand, only 18.9 percent of the respondents noted that a North-South summit is impossible.

Concerning the possible establishment of diplomatic relations with China, 60.5 percent answered that "a little time will be needed before relations will be established," while 21.3 percent said that "diplomatic relations will be established soon." Meanwhile, 6.3 percent feel that "the possibility of diplomatic relations is slim."

Some 37.6 percent of the respondents said that "there will be no notable change" in North Korea following the ROK-USSR summit talks. Meanwhile, 29.6 percent said, "North Korea will open up"; and 18.9 percent said, "I do not know." However, 13.8 percent predicted: "It will only become more closed."

Asked what will be the most significant result of the recent ROK-USSR summit talks, 45.1 percent of the respondents pointed to the easing of tensions on the Korean peninsula and the approach to national reunification, 18.2 percent pointed to the promotion of cooperation with the Soviet Union and economic revitalization, and 16.5 percent cited the expansion of exchanges with communist nations.

Editorial Urges 'Moderation' in USSR Trade

SK0706033490 Seoul THE KOREA HERALD in English 7 Jun 90 p 8

[Editorial: "Economic Ties With USSR]

[Text] At his meeting with President Mikhail Gorbachev in San Francisco this week, President No Tae-u agreed with the Soviet leader to promote trade and economic cooperation on the basis of the geographic proximity of the two countries and the complementary character of their economies. The basic agreement to normalize relations is certain to provide a major impetus to exchanges and cooperation in the field of economy and technology. The economic complementarity mentioned by President No largely refers to the relative advancement of Korean manufacturing industries and the abundance of natural resources in the Soviet Union.

The Soviet Union is suffering from shortages of consumer goods which Korea is capable of supplying at reasonable prices, while the Soviet Union is in a position to provide raw materials and transfer part of its advanced technology in heavy and sophisticated industries.

Many Korean industries are ready to undertake investments in the Soviet Union, particularly in the light and service industries. The Hyundai Group has already been exploring the possibility of participating in the development of Siberia. A few other conglomerates are to follow suit soon.

The overall prospect is good although it is not without several hurdles. The difference in the economic systems and modes of operation of the two nations may pose a serious impediment. Difficulties in financial settlement have been reported from time to time.

Special agreements to govern mutual investment and commercial exchange have to be worked out immediately to follow through on the No-Gorbachev talks. Official bodies and channels are expected to be created

to deal with the expanding trade and economic cooperation between the two countries. The new relationship should be reciprocal and productive. The bilateral trade ties are likely to take the form of barter trade, for the most part.

Political and diplomatic considerations are hardly to be ruled out altogether in relations with the Soviet Union and other East bloc nations. But these relations must be determined predominantly by economic conditions. In this regard, the possible extension of credit by Seoul has to be handled with maximum discretion.

A new frontier has been opened in both the political and economic outreach of Korea. Business firms should join the government in hammering out effective strategies for advancing into the new frontier with moderation and sobriety for the mutual benefit of the two neighbors.

Experts Advise Caution in Trade With USSR

SK0806061290 Seoul YONHAP in English 0248 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—South Korean businesses should push for economic and trade cooperation with the Soviet Union discreetly because of the communist giant's unfavorable economic circumstances, experts advised Friday.

Expectations of a substantial expansion of trade and economic exchange and cooperation are strong, but much must be done by the Soviet side to create favorable conditions for Korean investment, they said.

The mood in corporate Korea has overheated due to newspaper reports magnifying the fruits of improved relations with the Soviet Union in connection with President No Tae-u's historic meeting with Soviet President Mikhail Gorbachev on Monday in San Francisco to discuss normalization of diplomatic ties.

Economic cooperation with the Soviet Union, especially joint ventures, cannot bear fruit in the short term, they said.

The experts, who refused to be identified, listed obstacles to investment as the inconvertibility of the Soviet ruble, difficulties in commodity transactions arising from the socialist economic system, the Soviet Union's vast foreign debt, risk due to the shortage of hard currency, and unfavorable financial and foreign currency accounting systems.

Political and ethnic unrest in the Soviet Union, caused by independence movements and confrontation between conservatives and reformists, coupled with bureaucratic inefficiency in the process of reform, are also negative elements, they said.

Many Korean firms that pushed ahead with plans to invest in the Soviet Union have recently done an about face because of the uncertainty of investment prospects. Only Jindo Industries Ltd., a fur garment manufacturer, has a joint venture in the Soviet Union—a fur shop in Moscow's state-run Intourist Hotel.

Some businesses, the experts say, are even reluctant to trade with the Soviets without a letter of credit due to delays in paying for goods shipped to the country.

The Soviet Union has failed to pay 1.5 billion to 2 billion U.S. dollars it owes for goods shipped by western countries and 30 million to 34 million dollars for Korean goods since the last quarter of last year.

Two-way trade between Seoul and Moscow reached 599 million dollars last year, but it was mostly barter trade with Korea having 307 million dollars of imports and 292 million dollars of exports. Two-way trade is expected to surpass 1 billion dollars this year.

It will take a considerable time for both countries to achieve full-fledged economic cooperation as it mainly hinges on normalization of diplomatic ties, which will lead to accords on investment protection and the prevention of double taxation.

The two pacts are the minimum precondition for realistically boosting economic and trade cooperation between Seoul and Moscow, according to the experts.

Conclusion of USSR Fishing Agreement Sought

SK0506042290 Seoul YONHAP in English 0404 GMT 5 Jun 90

[Text] Seoul, June 5 (YONHAP)—The National Fisheries Administration of South Korea will seek early conclusion of a fisheries agreement with the Soviet Union, administration officials said Tuesday. It will negotiate for fishing rights in Soviet waters as well as in international waters off Okhotsk.

Korea caught an annual 300,000 tons of fish in the seas around the Kamchatka peninsula before the Soviets declared a 200-mile economic zone in 1977.

The administration will expand direct trade in fishery products and formally recognize contracts between Korean and Soviet enterprises in a move toward government-level fishery cooperation. It will also strengthen control and coordination of private fishery contacts with the Soviet Union in order to prevent rivalry among enterprises, the official said.

Petrochemical Delegation To Visit USSR

SK0506064090 Seoul YONHAP in English 0545 GMT 5 Jun 90

[Text] Seoul, June 5 (OANA-YONHAP)—A South Korean petrochemical delegation will visit the Soviet Union in early July to discuss cooperation, the Korea Petrochemical Industry Association (KPIA) said Tuesday [5 Jun]. The team, comprising senior executives of 17 petrochemical firms, will visit the Soviet Union as guests of Soviet Chamber of Commerce and Industry

President Valeriy Nazarov for about 10 days from July 7, KPIA sources said. Kumho Petrochemical Chairman Yi Chung-han leads the group, the invitation for which came early last week at KPIA's request, the officials said.

A detailed itinerary is now being mapped out by Soviet side and the Koreans will fly to the Soviet Union aboard a Korean Air jetliner.

The two sides will discuss importation of Soviet Naphtha, exportation of petrochemical products and Korean investment in the Soviet Union. Establishing regular channels for promoting friendship between the two sides and exchanging information will also be discussed, they said.

Local manufacturers, who are making a large-scale expansion of production facilities, expect exchanges with the Soviets to help their exports of petrochemical products. Local makers have been promoting technology transfer with their Soviet counterparts, who have technologies similar in level to the advanced nations, he said.

1989 Trade With Soviets Up 106.9 Percent

SK0506043090 Seoul YONHAP in English 0213 GMT 5 Jun 90

[Text] Seoul, June 5 (YONHAP)—Annual trade between South Korea and the Soviet Union is expected to reach more than 2 billion U.S. dollars in two or three years, a private economic institute forecast Tuesday.

The Ssangyong Research Institute, founded by one of Korea's largest business groups, said the summit meeting between Korean President No Tae-u and Soviet leader Mikhail Gorbachev would lead to an increase in bilateral economic exchanges and trade.

Annual trade is expected to reach 1.1 billion dollars this year and more than 2 billion dollars in two or three years.

Korea-Soviet trade totaled 600 million dollars last year, up 106.9 percent from the previous year. This year, trade was 250 million dollars for the first four months—137 million dollars in exports and 113 million dollars in imports—nearly twice last year's level.

The institute said bilateral agreements to guarantee investments and avoid double taxation will be concluded in the near future to activate joint ventures and Korean investment in the Soviet Union.

Russian Orders Keep Korean Shipyards Booming

SK0706030090 Seoul THE KOREA TIMES in English 7 Jun 90 p 8

[Text] In another sign of growing economic relations, South Korea's shipyards are booming with a flurry of orders from the Soviet Union, the Korea Shipbuilders Association reported yesterday.

The Soviet Union ordered 40 new ships, totaling 1.98 million gross tons, from South Korea. The orders were valued at 1.9 billion U.S. dollars and were placed during a 16-month period ending April 30, officials said.

They said the tonnage accounted for 27.2 percent of total South Korean ship orders received during the period, which started in January 1989.

Association officials said the Soviet Union placed orders for six of the 40 ships directly with Korean shipyards, financed by credits from the Korea Export-Import Bank.

The remaining 34 ships were ordered by unidentified Norwegian and Liberian shipping companies on behalf of the Soviets, the officials said.

They said the Soviets placed the indirect orders under financing arrangements in which the foreign firms will pay the Korean builders and the Soviets will pay the foreign companies later.

They also said South Korean ship repair yards earned 51 million dollars during the same 16 months by repairing 71 Soviet ships.

More orders are expected from the Soviet Union when and if the two countries normalize their relations, officials said.

Bilateral merchandise trade between Seoul and Moscow is expected to increase from 600 million dollars last year to 1 billion dollars this year.

Barter Trade Limit To Be Imposed With Soviets

SK0706060690 Seoul YONHAP in English 0229 GMT 7 Jun 90

[Text] Seoul, June 7 (OANA-YONHAP)—South Korea will set an annual limit for barter deals with the Soviet Union in order to promote trade with the cash-strapped communist country, and companies exceeding the limit may be allowed overdrafts, according to officials at the Economic Planning Board.

Korea plans to send a team to the Soviet Union soon to help jointly develop resources, including bituminous coal, crude oil, natural gas and timber.

Because a large part of Korean trade with the Soviet Union is made without letters of credit, the government will advise firms to take out export insurance.

South Korea prefers to pursue bilateral economic cooperation in a "mutually complementary way," exchanging light industrial goods, including daily necessities, for natural resources. Moscow has asked Seoul to increase the flow of consumer goods through various channels, the officials said. Although the Soviet Union is short of foreign exchange, the government thinks it can pay for imports from Korea.

Overdue Soviet payments for Korean products were reduced from 40 million U.S. dollars to 15 million dollars and the government expects the Soviets to pay the remainder soon.

Meanwhile, South Korea plans to propose that the two countries jointly construct a trade center in the Soviet capital as a symbol of cooperation between the two countries. Tentatively dubbed the Korea-Soviet Trade Town, it should be a 50-50 joint venture, Korean officials say. Korea will provide capital, technology and undertake the construction while the Soviet Union will supply the land and labor for the 20-story building, which will house a hotel, offices and a department store.

Government To Seek Aviation Accord After Ties

SK0706072890 Seoul YONHAP in English 0620 GMT 7 Jun 90

[Text] Seoul, June 7 (YONHAP)—The South Korean Government has decided to seek an aviation agreement with the Soviet Union as soon as full diplomatic ties are established, Transportation Ministry officials said Thursday.

The government wants permission for Korean Airliners to serve Khavarovsk, Tashkent and Leningrad, as well as expanded exchanges of aviation technology and information, they said.

An air route linking Seoul and Moscow was opened in late March under a private agreement between Korean Air and the state-run Soviet airline Aeroflot.

The officials said 1,563 passengers flew on the route between its opening and the end of May, with the load factor rising from an average 9 percent in March to 18.3 percent in May.

Ministry officials said demand for seats between the two capitals will rise sharply if Seoul and Moscow set up full diplomatic ties.

Team To Seek Expanded Soviet Technology Ties

SK0806020090 Seoul THE KOREA HERALD in English 8 Jun 90 p 3

[Text] Korea will send a team of government officials and scientists to the Soviet Union this month to seek expanded technological ties between the two countries, Minister of Science and Technology Chong Kun-mo said yesterday.

Chong said the team's primary mission will be to make an "on-the-spot assessment" of Soviet technologies which Korea can benefit from. "Besides locating fields + possible cooperation, the team will discuss ways to lay the ground work for concrete technological exchanges with Soviet officials," Chong said.

The minister said he hopes to hold a science ministers' meeting in the coming months and sign a government-level cooperation accord as well.

Chong said the government is sending the group of ministry officials and scientists as Korea does not have enough knowledge about Soviet science and technology. "Only after we have full information will we be able to launch full-fledged joint projects with them," he said.

Chong said officials and scientists have already begun working to make a full-scale technology assessment of the Soviet Union. The assessment work is led by the Korea Institute of Science and Technology (KIST). Other state-run research institutes and private think tanks are working with KIST experts. Ministry officials said their work is focused on reviewing the level of Soviet technologies in comparison with other advanced countries.

Other key points in the assessment program include working out a list of technologies that can be transferred to Korea and studying their prospects for commercialization, according to the officials.

They said the Soviet technologies being reviewed by Korean officials include the 15 mega projects being carried out by the Soviet State Science Committee as state-designated programs. They include research projects on information, new materials, bioengineering, high-speed transportation and construction.

Officials said there are about 125 other kinds of technologies the Soviet side has said it wants to transfer to Korea.

"We hope that we can benefit from the Soviets' advanced know-how in basic sciences and high technologies in return for giving them our production technologies," a ministry official said.

Efforts To Improve Soviet-ROK Tourism Noted

SK0806053690 Seoul YONHAP in English 0239 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—Tourism between South Korea and the Soviet Union is expected to pick up as two Korean businesses are promoting joint-venture hotel projects in Moscow and the government is planning to publicize tourism in Korea.

The Transportation Ministry will distribute 10,000 booklets on Korean tourism to tourism organizations in the Soviet Union this year, and will send a delegation to an international tourism exhibition in Moscow next March to operate a Korean booth and sponsor a "Korean night" event, ministry officials said Friday.

Daewoo Corp. is seeking joint construction and operation of a 385-room tourist hotel in Moscow, offering to put up 75 million U.S. dollars.

Samsung Co. is hoping to participate in the management of the Moscow Sports Hotel after remodelling it at a cost of 22 million dollars.

Travel between the two countries has grown rapidly since the Seoul Olympics in 1988, with 1,990 Soviets visiting Korea and 336 Koreans touring the Soviet Union last year.

In the first four months, 1,300 Soviets came to Korea while 397 Koreans visited the Soviet Union.

Hyundai Reaches Accord on Yakutsk Development

SK0206053490 Seoul YONHAP in English 0447 GMT 2 Jun 90

[Text] Seoul, June 2 (OANA-YONHAP)—South Korea's Hyundai Business Group said Saturday it will engage in the development of natural resources in the Soviet Union's Yakutsk Autonomous Republic.

Hyundai reached an agreement in principle to develop natural resources in Yakutsk when high-level officials from the Soviet Federal Government and Yakutsk Government visited Seoul on May 25-30.

The 11-member team was led by Grant D. Margulov, vice president of the Energy Bureau of the Soviet Council of Ministers.

During talks with Hyundai officials, Aleksandr M. Zateyev, vice president of the Ministers Council of Yakutsk, asked Hyundai to participate in resources development in Yakutsk, including large natural gas fields.

Hyundai and Soviet officials agreed that a fact-finding team would visit Yakutsk to conduct a feasibility survey.

The Korean business conglomerate will start development of resources soon after a fact-finding survey. A fact-finding team led by Hyundai founder Chong Chu-yong will visit Yakutsk for one week from June 15.

Hyundai will begin development of natural resources based on the results of the survey.

Hyundai officials said development of natural gas fields and coal mines are promising in the initial stage.

The natural gas deposit in Yakutsk has been estimated at 3.16 trillion cubic meters, accounting for 14 percent of the natural gas deposits in the Soviet Union, while the coal deposits in the region are estimated at 4.58 billion tons, 40 percent of the total in the Soviet Far East.

The Yakutsk area also has massive deposits of iron ore, gold, diamonds and rare metals.

There will be many problems, including the harsh weather, in development of resources in Yakutsk, home of the world's coldest city, Verkhoyansk, but Hyundai is convinced the prospects for development are very bright because the investment guarantee agreement between Korea and the Soviet Union is expected to be concluded at the Korea-Soviet summit meeting.

USSR-Hyundai Forestry Project To Be Approved

SK0506041090 Seoul YONHAP in English 0401 GMT 5 Jun 90

[Text] Seoul, June 5 (OANA-YONHAP)—The South Korean Government is expected to permit the Hyundai Business Group to join a joint venture to develop the forestry resources of Siberia.

The government has concluded that development of the maritime provinces of Siberia is feasible and will approve Hyundai's plan to form a 50-50 joint venture with Primorsklespron, a state-run forestry company, to develop forestry resources in the Svetlaya area, an official at the Economic Planning Board said. The government will give formal approval on Thursday.

Hyundai plans to invest 53.752 million dollars in the project, including 16.12 million dollars in paid-in capital. Of the paid-in capital, 2 million dollars will be cash and the rest will be land and equipment. An operational fund of 37.626 million dollars will be raised by overseas loans with a 50-50 payment guarantee by Hyundai and the Soviet partner, according to Hyundai's plan.

The government has delayed approval for Hyundai's plan because of the lack of an investment guarantee agreement, but will give the go-ahead as Korean-Soviet relations improved substantially with the San Francisco summit meeting.

Soviets Sign $30 Million in Export Contracts

SK0506021690 Seoul YONHAP in English 0207 GMT 5 Jun 90

[All Soviet company names as received]

[Text] Seoul, June 5 (OANA-YONHAP)—Soviet companies signed export contracts worth nearly 30 million U.S. dollars with South Korean businessmen during "USSR week in Seoul," which ended Sunday. During the show at the Korea Exhibition Center, nine Soviet firms sold goods worth 29.994 million dollars, according to a joint tally by the Korea Trade Promotion Corp. (Kotra) and the Soviet Chamber of Commerce and Industry.

Nichnekamskneftechim, a petrochemical company, sold ethyl cellosolve and styrene worth 11 million dollars. Raznoimport, a trading estate, inked a deal for 7 million dollars worth of aluminum and Vneshpromteknobmen won a contract for 7 million dollars of machine tools and equipment.

The Soviet companies also did brisk trade in vodka, marble and other commodities.

In addition, progress was made in negotiations on transferring up-to-date Soviet technology between Soviet and Korean companies. Licensingtorg, a patent agency, is negotiating with Korean firms, including Samsung, Lucky-Goldstar and Sunkyong, for the technology to make scalpels.

Korean companies got sales contracts worth 9 million dollars at an exhibition in Moscow last July.

Kotra said the Soviet exhibition provided momentum to consolidate Korean-Soviet trading as a large number of small- and medium-sized companies participated. So far, bilateral trade has been limited to large firms.

The exhibition drew more than 10,000 visitors, according to Kotra.

Company Plans Footwear Venture in USSR

SK0706032690 Seoul THE KOREA HERALD in English 7 Jun 90 p 6

[Text] Kukje Corporation, a leading Korean footwear maker, plans to participate in a joint-venture footwear factory project in the Soviet Union's Uzbek Republic, Kukje officials said yesterday.

Kukje, hoping to invest $7.5 million for around 49 percent of equity shares is negotiating with the Soviet partner, the Soviet Republic government, on investment terms, the officials said.

The factory will produce primarily winter boots for Soviet market, and also produce sneakers for East European market, Kukje officials said.

Kukje expects the factory construction to start by the end of this year, they said.

In late July, they said, three to four Kukje officials will visit the Soviet Republic to conduct a final feasibility study.

Kukje, a mainstay of the Hanil business group, is a leading manufacturer and exporter of footwear and leisure equipment such as tents, fishing gears and golf sets.

Soviets Contact Companies To Build TV Factory

SK0806015490 Seoul THE KOREA HERALD in English 8 Jun 90 p 6

[Text] Tokyo (AFP)—The Soviet Union has contacted firms in Japan, France and South Korea on building a large television tube factory, the Nihon Keizai Shimbun reported Thursday.

The economic daily said Moscow had approached Toshiba Corp. here as well as the French firm Thomson and South Korea's Samsung Electronics.

A Toshiba spokesman said his firm was undecided on how to respond to the proposal, and declined to reveal its details.

The newspaper said the Soviet Union sought to produce one to 1 ½ million cathode ray tubes per year from 1994, adding that an investment of $260 to $330 million was needed.

Three sites, including Moscow, were being studied for the factory and foreign firms were required to bid on the project before next spring, the paper added.

The sale of cathode ray tube technology is governed by COCOM [Coordinating Committee for Exports to Communist Areas], which oversees sensitive exports from the West to Communist countries.

Toshiba's machinery exports to Moscow violated COCOM regulations and led to the resignation of its chairman in 1987.

Soviet Firms To Open Offices in Seoul

SK0806024490 Seoul YONHAP in English 0215 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—A major Soviet trading company and a patent agency have been given tentative approval to open branches in Seoul, it was reported Friday.

The HANGUK ILBO, a daily published here, said Stankoimport and Licensintorg, the sole agency dealing in Soviet patents and industrial properties, filed formal applications to open branches in Seoul with the Trade and Industry Ministry and the Korea Trade Promotion Corp. Last week.

It said the government had decided to approve the applications in accordance with the principle of reciprocity.

Four South Korean business groups—Samsung, Hyundai, Daewoo and Lucky-Goldstar—have branch offices in Moscow and four others—Sunkyong, Kolon, Ssangyong and Hyosung—are waiting for approval from the Soviet authorities.

Licensintorg recently announced 100 technologies and 25 patents that the Soviet Union is willing to transfer to Korea.

Airline Begins Flying Over Chinese Air Space

SK0806042690 Seoul Domestic Service in Korean 0300 GMT 8 Jun 90

[Text] Beginning today, Korean Air can fly from Seoul to Tripoli, Libya over Chinese air space. Korean Air has so far flown to Tripoli through Bangkok, Bahrain, and Jeddah. The Transportation Ministry has approved this flight so that, effective today, Korean Air can fly along the Kunming air route by way of Shanghai and Kunming, in the Chinese air space, without landing in Bangkok.

The flight along the Chinese Kunming air route has been advanced by our government since the early 1980's. Korean Air had flown 55 flights along China's Kunming air route during the 1988 Seoul Olympic Games with special approval by the Chinese side. But the flights were suspended after the Olympics because the Chinese side withdrew its approval.

However, the Transportation Ministry and aviation industry circles obtained Chinese approval for the use of the air route, so that our planes can now fly along the Kunming air route, in the Chinese air space.

Using this air route, the flight distance is reduced by 554 kilometers and the flight time by 37 minutes.

PRC Foreign Ministry Clarifies Stand on Ties

SK0806055790 Seoul CHOSON ILBO in Korean 8 Jun 90 p 1

[Report by correspondent Pak Sung-chun from Beijing]

[Text] On 7 June, the Chinese Foreign Ministry officially clarified its negative views on President No Tae-u's proposal to improve relations between the ROK and the PRC and to hold a summit between leaders of the two countries. President No's proposal was presented at his talks with U.S. President Bush in Washington.

In a weekly briefing session on the afternoon of that day, responding to a reporter's question in which he said "at his talks with U.S. President Bush, ROK President No Tae-u expressed his hope of improving relations between China and Korea and of holding talks with the Chinese leader," and asked "what is China's stand on this?," Li Jinhua, a spokesman of the Chinese Foreign Ministry, said, "China has already clarified many times its stand on relations with South Korea. In other words, China has not established official relations with South Korea."

Businessmen Importing Chinese, DPRK Steel

SK0706061890 Seoul YONHAP in English 0553 GMT 7 Jun 90

[Text] Seoul, June 7 (YONHAP)—A construction boom has sent South Korean businessmen scurrying around trying to buy steel from North Korea and China to counter an acute domestic shortage.

In May alone, three Korean companies imported nearly 6,000 tons of North Korean pig iron and steel reinforcement bars, all through agents in Hong Kong, an industry source said Thursday.

The general trading company, Daewoo Co., is to import 10,000 tons of North Korean steel reinforcement bars and many other firms are considering imports from North Korea and China.

Other general companies like Sunkyong Ltd. and Lucky-Goldstar International have contracted to import 15,000 tons of angle iron and 50,000 tons of pig iron, respectively, from China.

Samsung is negotiating a deal for 5,000 tons of Chinese pig iron.

Editorial on No-Bush Summit Meeting

SK0806033090 Seoul THE KOREA TIMES in English 8 Jun 90 p 6

[Editorial: "New Order After Korea-U.S. Summit"]

[Text] It is encouraging to see, through President No Tae-u's visit to San Francisco and Washington for summits with his Soviet counterpart Mikhail Gorbachev and U.S. President George Bush, the three countries agreeing to build a sort of tripartite cooperative system to reduce tension on the Korean peninsula and induce North Korea to open up and resume dialogue with South Korea.

During his one-hour talks with the South Korean leader, the third in only eight months, Bush reportedly expressed positive support of the No-Gorbachev agreement in principle made in San Francisco to normalize full diplomatic ties in the near future as a successful result of Korea's "northern policy."

In fact, the No-Bush meeting on Wednesday ended No's recent series of summits with his Japanese, Soviet, and American counterparts that began late last month. Accordingly, the Korean and American leaders, who each met Soviet President Gorbachev days earlier in the United States, were able to discuss the outcome of their separate talks with Gorbachev.

Different from the previous Seoul-Washington summits, the latest took place without any particular substantive issue pending between the two allies. This was because the trade account between them, which stood at a surplus of $8.6 billion in favor of Korea in 1988, is expected this year to be almost balanced for both countries. There seems to be no discord between Seoul and Washington over security cooperation, including the U.S. military presence in Korea, although the Pentagon has laid out a plan for trimming U.S. troop levels in South Korea from 43,000 to 36,000.

However, the No-Bush meeting this time is significant in that the leaders of the two allies renewed their joint efforts to cooperate with each other in national defense and the economic field, in spite of the global trends for door opening and democratic reforms in East Europe, in particular.

The waves toward detente between ideologically different states are reaching Northeast Asia. But there remain difficulties in our sincere effort to press Pyongyang to abandon its hardline and anachronistic illusion of communizing South Korea by force, and to seek peaceful coexistence and joint prosperity with the South in a step forward to realize eventual reunification of a divided Korea.

To this end, the Soviet Union and China, which still have important influence on Pyongyang, are earnestly

asked to persuade North Korea to agree to arms reduction, a key issue vital to easing tension on the Korean peninsula, and to sign the "nuclear safeguards agreement."

While our northern policy in pursuit of a new global order must be pushed ahead to normalize diplomatic ties to Moscow and Beijing, Pyongyang is advised to improve relations with the United States and Japan if it really wants peace and coexistence with Seoul, ending its isolation in the international community.

In a sense, through the latest summit the Bush administration appears to have cleared away any idea of misgivings about Seoul's allegedly rash approach with its northern policy. This is apparent in light of the fact that the No-Gorbachev summit on the heels of the Bush-Gorbachev talks was arranged with the help of the United States. What must be noted is the U.S. reaffirmation of its position that it is not a threat to North Korean security and its readiness to improve ties to Pyongyang.

With the end of No's five-day visit to the United States, keen attention is being paid to how Pyongyang will react to the combined effort among Seoul, Washington, and Moscow to ease Korean tensions and whether it will end its self-imposed isolation in the world community.

Telephone Poll on President No's Visit to Japan

SK0106234790 Seoul TONG-A ILBO in Korean 28 May 90 p 1

[Excerpts] Concerning Japanese Emperor Akihito's apology toward the ROK, 70.7 percent of our people said "it is not appropriate and satisfactory enough," and 23.5 percent of them said "it is satisfactory enough." However, concerning the result of President No' visit to Japan, 60.3 percent of our people said it was "successful" and 28.8 of them said it was "not successful."

Such results were revealed by a nationwide telephone poll conducted by the Public Opinion Survey Department of TONG-A ILBO on the evening of 26 May immediately following President No's return from his visit to Japan. The number of the respondents of the telephone poll was 1,600. [passage omitted]

However, concerning the Japanese Emperor's visit to the ROK, 69.7 percent of the respondents expressed "yes," and 25.8 percent expressed "no." Concerning future relations between the ROK and Japan, 49.4 percent of the respondents expressed "there will be no big change in the relations," 44.8 percent of the respondents expressed "the relations will be better," and only 2.7 percent of the respondents said "the relations will be worse."

Summing up and analyzing the result of the telephone poll, it can be concluded that an absolute majority of our people, though they are discontent with Japanese Emperor's attitude of apology, believe that President No's visit to Japan was successful and that an absolute majority of our people also welcome the Japanese Emperor's visit to the ROK. Judging from such reactions of the respondents, it can also be concluded that the future of ROK-Japan relations will be better or will maintain the same level.

Concerning the issue that should be urgently solved for the improvement of future ROK-Japan relations, 49.9 percent of the respondents indicated "the discrimination of Korean residents in Japan," 23.9 percent indicated "the present imbalance in trade between the two countries and scientific and technological cooperation between them," and 21.9 percent indicated "Japan's frank apology and compensations." [passage omitted]

No To Send Envoy To Brief Tokyo After Summit

SK0506014290 Seoul YONHAP in English 0111 GMT 5 Jun 90

[Text] San Francisco, Calif., June 4 (YONHAP)—South Korean president No Tae-u was briefed on the outcome of the U.S.-Soviet summit by Richard Solomon, assistant secretary of state for Asian and Pacific affairs. Solomon told No the Korean question was discussed in the summit along with other regional issues and that Gorbachev had expressed a willingness to improve relations with Seoul. Solomon was accompanied by U.S. Ambassador to Korea Donald Gregg and Spence Richardson, the State Department's Korea desk chief.

No met separately with John Reed, chief of White House protocol and special envoy of U.S. President George Bush.

Meanwhile, No will dispatch Kim Chong-hui, his adviser for security and diplomatic affairs, to Tokyo after meeting with Gorbachev and bush to brief Japanese officials on the result of the summit talks, Presidential Spokesman Yi Su-chung said. Yi said Kim would leave for Tokyo on Wednesday, after the No-Bush talks in Washington.

"The Japanese Government is keenly interested in the result of the Seoul-Moscow summit. We will explain the content of the Seoul-Moscow summit to Japan in the same way as the U.S. Government briefs us by sending special envoys," he said.

Japan Willing To Establish Ties With North

SK0506023290 Seoul YONHAP in English 0222 GMT 5 Jun 90

[Text] Tokyo, June 5 (YONHAP)—Foreign Minister Taro Nakayama said Monday that Japan was willing to open diplomatic relations with North Korea and take other steps to improve ties with the hard-line communist regime.

Questioned by lawmakers in a Lower House Budget Committee meeting, Nakayama said: "Our doors are

always open and we are willing to meet with members of the North Korean Workers (Communist) Party if they come here.

"If North Korea were to take the position that it would be best for her to set up diplomatic relations with Japan at the earliest possible date due to the changing climate on and around the Korean peninsula, I think it would be desirable for us to positively respond to that. Japan is willing to positively respond to any such demand on the part of North Korea."

He added, however, that North Korea had failed to respond to Japan's repeated calls for dialogue on the release of the crew of No. 18 Fujisan-Maru, detained in North Korea for the past several years. He noted his government had opened a channel for dialogue with North Korea at the Japanese Embassy in Beijing.

Nakayama said the Seoul-Moscow summit in San Francisco reflected the steady progress in relations between the two countries and that it would mark a turning point in the political and military situation on the Korean peninsula.

Chochongnyon Says North May Offer New Proposal

SK0806103690 Seoul YONHAP in English 0952 GMT 8 Jun 90

[Text] Tokyo, June 8 (YONHAP)—A senior member of Chochongnyon [General Association of Korean Residents in Japan], a pro-Pyongyang Korean Residents' Organization in Japan, said Friday that North Korea may soon offer a new proposal to South Korea to cope with the rapid changes in the situation around the Korean peninsula since the summit meeting on Monday between the South Korean and Soviet presidents.

Sin Hui-ku, director of the group's Korean Affairs Institute, also told an international symposium that he positively rated South Korea's intention to have summit talks with North Korea and was keenly interested in creating the atmosphere for such a meeting.

The symposium on the reunification of the Korean peninsula opened Friday at the press center here with Sin taking part on behalf of North Korean scholars.

Asked if his remarks meant that North Korea might accept the South's call for an inter-Korean summit, Sin said, "politics is reality. You can figure it out if you examine closely (North Korean) President Kim Il-song's address to the Supreme People's Assembly last month in which he proposed that the two Koreas join the United Nations in a single seat."

Touching on the South Korean proposal for the "cross recognition" of the two Koreas by each other's allies, the key Chochongnyon official said, "That issue should also be reviewed with regard to the new international political situation."

North Korea has persistently rejected cross-recognition, which the South champions as a first step toward peaceful unification. The North claims that it would perpetuate the division of Korea. Shin declined to clarify whether his remarks mean North Korea's acceptance of cross-recognition.

"President Kim's address has various implications," he said, adding that he thought Kim would come out with "bold response or reaction" to the new reality.

The North Korean scholars dropped out of the two-day symposium at the last moment and four Chochongnyon members are attending in their stead.

Prospects for Joining UN Labor Group Viewed

SK0706025890 Seoul THE KOREA HERALD in English 7 Jun 90 p 3

[Text] Geneva (YONHAP)—South Korea has sent a delegation to the 77th general assembly of the International Labor Organization (ILO) that opened here Wednesday for a 20-day run, but prospects for Korea's entry into the U.N. organization are not bright for the time being, observers said Wednesday. Korea has tried since 1982 to join the ILO, the largest U.N. agency. It has dispatched a delegation composed of representatives from the government, labor and management every year to the ILO meeting.

Korean Labor Minister Choe Yong-chol is now here, leading a nine-member delegation to the current gathering.

Last November the nation set up a joint committee to promote Korea's entry into the ILO during this year's general meeting, cashing in on its international image bolstered by the 1988 Seoul Olympic and its northern policy.

Choe is to talk with labor ministers from Asia, Pacific and Eastern Europe, and ILO's senior officials. Choe, who will make a keynote speech today, is to appeal for Korea's entry into the ILO, pointing out that Korea "faithfully" follows conditions set by the U.N. body.

Korean officials said a major roadblock for Korea's entry into the U.N. organ is north Korea's campaign to block south Korea's entry and opposition from some socialist countries friendly to the Pyongyang regime. About 140 out of the total 150 member countries are participating in the annual general meeting. Nearly half of them show no interest in Korea's entry or are sympathetic to the cause of north Korea, the officials said.

Some Korean labor activitists and dissidents have denounced the government for trying not to improve inferior labor conditions to shun the nation's entry into the ILO. The ILO-suggested labor conditions Korea now lacks include: the freedom of association, labor rights of government employees and schoolteachers, and the implementation of an unemployment insurance system.

Expatriates Not Required To Report North Visit

SK0706025490 Seoul Domestic Service in Korean 0100 GMT 7 Jun 90

[Text] Los Angeles, YONHAP—ROK nationals having permanent U.S.-residential status will not be required to report to the overseas ROK missions after visiting North Korea in the future.

According to the general consulate in Los Angeles, the government abolished, effective from 4 June, the previous system in which travelers to North Korea had to report to the appropriate government authorities after their trip on the basis of a judgement that the visit to North Korea by Korean compatriots overseas would help open the North Korean society.

The government had required that Koreans residing overseas report to the appropriate embassies or consulates not only prior to their visits but also after their visits to North Korea.

The general consulate said that the government will continue to maintain the advance report system for the safety and personal security of the compatriots visiting the North.

North Desires Establishment of Liaison Office

SK0806063090 Seoul HANGYORE SINMUN in Korean 5 Jun 90 p 1

[Report by correspondents Chong Yon-chu and Yun Kuk-han from San Francisco]

[Text] While Korean-Soviet relations are expected to make rapid progress and U.S.-North Korean relations are expected to bring about changes in the wake of the Korean-Soviet summit talks, it was disclosed on 4 June that North Korea wishes to expand contacts with the United States by such steps as cross-establishment of liaison offices by both countries.

A well-informed source having close relations with the Beijing- and New York-based North Korean diplomats said that North Korea is hoping to improve relations with the United States in view of the possibility of improved relations between Korea and the Soviet Union, adding that North Korea strongly desires to move the venue of contact between the two countries from Beijing to New York and to develop those contacts so that they lead to the cross establishment of liaison offices by the two countries.

This source, who contacted the North Korean diplomats in Beijing and New York after the disclosure of the scheduled Korean-Soviet summit talks said that North Korea will give up the principle, as well as the cause, of opposing cross recognition which it has so far upheld rigidly and seek practical benefit, now that the Korean-Soviet summit talks will be held and rapid progress in improved relations between the two countries is anticipated. North Korea has so far been strongly opposed to the one-sided establishment of diplomatic relations between Korea and the Soviet Union or between the United States and North Korea because it will fix the division on the Korean peninsula, thereby showing a negative attitude toward the improvement of relations with the United States. However, the improvement of Korean-Soviet relations is likely to provide a turning point for North Korea to make a change in its foreign policy to the effect that it will seek practical benefit, departing from its hitherto position of adhering to the cause.

This source said that a UN-based North Korean diplomat disclosed that the Soviet Union informed North Korea in mid-May that "the top leaders of Korea and the Soviet Union will meet for economic cooperation," and added that the NODONG SINMUN editorial dated 17 May which stated that "the South Korea-Soviet summit talks hinder reunification" must have had something to do with that.

The source then noted that North Korea has expressed the willingness to return additional remains of U.S. soldiers following its first return of remains and that North Korean deputy UN Ambassador Ho Chong requested the U.S. Government for "appropriate steps" for this. He then stated that the North Korean diplomat disclosed that "appropriate steps" to be taken by the U.S. Government includes easing or lifting the restriction on travel in the United States by the delegates of the North Korean UN mission.

Bureau Claims Knowledge of Missing Assets

SK0806053090 Seoul YONHAP in English 0259 GMT 8 Jun 90

[Text] Seoul, June 7 (YONHAP)—The Board of Audit and Inspection said Thursday that it knows where the government's missing billions are stashed and will reveal the location in a report to the National Assembly when it convenes.

Kim Tae-chung's Party for Peace and Democracy claimed earlier in the day that the government had lost land and cash worth 39.7 billion won (56 million U.S. dollars) confiscated in 1980 from people accused of illicitly amassing wealth.

The loss was confirmed during the parliamentary inspection of the administration in 1989, the Board said. At that time, there was a request to locate 2.1 billion won (2.96 million dollars) and the Board completed its investigation on April 23, it said. Contrary to the allegation made by Kim's party, the Board did not give up its task, it said.

According to the opposition party, the military announced at the time that 113.3 billion won in property had been surrendered to the state, but the Finance Ministry reported receiving only 73.6 billion won worth for disposal.

PPD Demands Release of Board Official

SK0806061890 Seoul YONHAP in English 0507 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—Kim Tae-chung's Party for Peace and Democracy, the tentatively named Democratic Party and a group of dissident coalition held a protest rally Thursday afternoon and issued a statement demanding the immediate release of an official of the Board of Audit and Inspection.

The joint statement calls on the National Assembly to invoke its right to inspect government agencies in order to investigate real estate speculation by big businesses and the arrest of Yi Mun-ok. It also calls for a petition drive and a fund-raising campaign for Yi's release and an end to "Illegal and Immoral Practices" by the government.

Yi was arrested last month after telling a Seoul daily what he had found during a probe of corporate real estate ownership.

An open letter to President No Tae-u was issued, denouncing Yi's arrest as violating a ruling by the constitutional court that government data must be open to the public unless the rights of individuals are endangered.

Workers at Korea Shipbuilding Begin Strike

SK0206013590 Seoul THE KOREA HERALD in English 2 Jun 90 p 3

[Text] Pusan—Workers at the Korea Shipbuilding $ Engineering Corp. walked off the job yesterday in pursuit of a pay hike. About 2,000 workers held a rally before launching a strike on the shipyard's square at 9 a.m.

Labor demands an 18.3 percent raise in monthly basic pay plus a 200 percent bonus hike while management offers a 7.4 percent increase. Labor would not accept management's proposal to pay 15,000 won in a new monthly allowance on the condition that unionists won't go on strike at least for one year, a union spokesman said.

The Hanjin Business Group recently signed an agreement to take over the shipyard.

Meanwhile, workers at the Inchon plant of Daewoo Motor Co. have decided to stage a strike to press their demand for a pay raise. In a vote taken Thursday, about 74 percent of the workers cast "yes" votes while some 24 percent voted against. Two hundred and four votes were declared null and void.

Company officials said any collective action by unionists would be branded as "illegal" because the Labor Ministry and the Central Labor Relations Commission last April 29 rejected a report on the occurrence of a labor dispute submitted by the union because of "facility" procedures.

The union has called for an 18.3 percent pay increase while management has offered a 6.9 percent hike.

Police Break Up Strike at Insurance Company

SK0206013990 Seoul THE KOREA HERALD in English 2 Jun 90 p 3

[Text] Riot police stormed the 23-story Daehan Kyoyuk Insurance Co. building and led away 212 striking workers early yesterday morning, police said. Three of them were formally arrested later in the day, while the rest were released.

A police spokesman at the Chongno Police Station said some 800 riot policemen moved into the building at 1:30 a.m. and rounded up the strikers, who had been staging sit-ins since May 24.

Police had obtained arrest and search warrants from court authorities, he said. Arrested were three union leaders—Paek Wan-ki, 29, Kim Chu-sam, 32, and Yang Dal-hoe, 45.

But police failed to nab four other union leaders including union President Yi Sang-hak, 32, as they fled before police raided the building in Kwanghwamun in the heart of Seoul.

The spokesman said the police raid was made at the request of the company's management. Company officials charged that the unionized workers illegally occupied the company's computer center, thus obstructing business.

A company spokesman said police intervention was necessary because the strike had caused many difficulties for 89 foreign companies and diplomatic missions housed in its building. An estimated 1,000 workers had been on strike after management refused the union's demand for a 40.4 percent pay increase.

Hyundai Wins Contract To Build Plant in Libya

SK0606064590 Seoul YONHAP in English 0619 GMT 6 Jun 90

[Text] Seoul, June 6 (YONHAP)—A leading South Korean construction company has been awarded a 133 million U.S. dollar contract to build a chemical plant in Libya.

A spokesman for the Hyundai Engineering and Construction Co. said Wednesday [6 Jun] the order, awarded by Libya's state-run Ras Lanuf [name as received] Oil and Gas Processing Co., is for construction of a polyethylene factory.

The plant will be in Ras (Cape) Lanuf, 800 kilometers east of Tripoli, and when finished will manufacture 160,000 tons of polyethylene a year using naphtha and refined oil from a nearby petrochemical complex, the spokesman said.

Construction will begin this year with dedication slated for 32 months later, he said.

Bank Receives Loan From Japanese Bank

SK0406033390 Seoul YONHAP in English 0243 GMT 4 Jun 90

[Text] Seoul, June 4 (YONHAP)—The Korea Long-Term Credit Bank has received a loan of 4.8 billion yen from Japan's Yasuda Trust and Banking Company, a bank spokesman said Monday.

The loan, the first of its kind since South Korea allowed financial institutions to introduce long-term overseas loans early this year, is repayable in five years by a lump-sum payment at an annual interest rate of Libor (London inter-bank offered rate) minus 0.09375 percentage points.

The Korean bank will use the money to finance foreign currency loans and repay short-term loans.

Korean Bond Prices Soar Due to Summit

SK0506024690 Seoul YONHAP in English 0236 GMT 5 Jun 90

[Text] Seoul, June 5 (YONHAP)—Prices of South Korean bonds and beneficiary certificates on overseas stock exchanges are soaring on the strength of the summit between Korean President No Tae-u and Soviet leader Mikhail Gorbachev scheduled for Tuesday in San Francisco, California.

The price of beneficiary certificates for the Korea-Euro Fund soared to 7.25 U.S. dollars at the weekend on the Luxemburg exchange, from 4.80 dollars at the end of April. The Korea Fund also rose from 16.30 dollars to 24.375 dollars during the one-month period.

Convertible bonds (CB) issued by major businesses also gained 20-30 percent during the period—Goldstar Co. went from 103 points to 138 points, Daewoo Heavy Industries Ltd. from 370 to 480, Yukong Ltd. from 150 to 185 and Sachan Media Corp. from 102 to 132.

The rises were especially pronounced after the announcement of the Korea-Soviet summit meeting, with Samsung Electronics Co. CBS rising more than 15 percent last week.

Experts also attributed the strong showing of Korean bonds and certificates in foreign markets to the economy's emerging signs of recovery.

No Restrictions To Be Put on Consumer Imports

SK0606003090 Seoul THE KOREA HERALD in English 6 Jun 90 p 6

[Text] The Korean government has no intention of restricting imports of consumer commodities, be they luxury items or not, Minister of Trade and Industry Pak Pil-su said yesterday. It is the press and consumer organizations that are launching a campaign against imports of high value, Pak said. The trade-industry minister made the remarks in response to complaints by envoys from European Community nations.

"Extravagant spendings by some wealthy people create friction among different classes," Pak was quoted as saying. "Because of this problem, the press and consumer organizations are pushing for sound consumption and restrictions on highly priced imports."

EC Amb. Gilles Anouil and five other envoys expressed worries over press reports on the move to restrict imports and impose emergency tariffs. They said they are concerned about the possibility of the Korean government pressuring directly or indirectly against imports.

Besides, they said there is no distinction between luxury consumer goods and nonluxury ones. Pak said the Korean government does not use the term of luxury consumer goods.

The press and consumer organizations, he said, appeared to refer to expensive nonessential consumer items when they speak of luxury consumer goods. The Korean government, he said, did not push for the reduction of the sales outlets for imported goods at department stores. It was public opinion against extravagant spendings that forced importers to reduce the size of their stores. The Korean government, he said, has no intention of cutting back on import liberalization measures it has taken.

Revamp of Export Insurance System To Aid Trade

SK0606000090 Seoul THE KOREA TIMES in English 6 Jun 90 p 9

[Text] The government will improve the export insurance system to activate trade with the Soviet Union in the wake of summit talks held in San Francisco, Calif., yesterday between Korean President No Tae-u and his Soviet counterpart Mikhail Gorbachev, the Economic Planning Board [EPB] said.

An EPB spokesman said the government's policy measures provide less in this sector than Western countries for enterprises to advance to the Soviet Union.

He also forecast that the two governments will conclude agreements on trade, investment guarantees and avoidance of double taxation as a result of the first-ever summit talks between the heads of the two countries. He added that Korea has been unable to strengthen economic cooperation with the Socialist giant due to the obstacles posed by a lack of diplomatic relations.

The improved Korea-Soviet relations will make Korea a center of international economy linking Southeast Asia (Oceania), the Soviet Far East, Moscow and Western Europe, he forecast. The relations will contribute to regionalization of the Northeast Asian economy, countering the trend to regionalism in the international economy, he said.

The Soviet Union with a population of 300 million is a market with great potential which will invigorate the Korean economy as seen in the construction boom in the Middle East in the 1970s.

In particular, the Soviet people greatly need consumer goods, which Korea will be able to supply to them, he noted. He pointed out that the Soviet Union has been in an economic pinch with a lack of hard currency and consumer goods, aggravated foreign debt, budget deficit and high inflationary pressure.

But the economic cooperative climate will improve in the near future as international economic organizations and Western countries are expected to strengthen economic support for the Soviet Union and the Socialist giant pushes ahead with political democratization and reform of the economy to free market mechanisms.

Although the Soviet Union has revealed vulnerability in foreign exchange management such as delay of payment for their imports, it has reserves estimated at $30 billion in bullion and an estimated 15 billion in deposits in Western banks, he said.

International credibility of the Soviet Union has been ranked 22nd-23rd, similiar with Korea, he added.

$930 Million Technology Royalties Paid in 1989

SK0606041290 Seoul YONHAP in English 0243 GMT 6 Jun 90

[Text] Seoul, June 6 (YONHAP)—South Korean companies paid 930 million U.S. dollars in royalties last year for foreign technology, mostly from the United States and Japan, the Korea Industrial Technology Promotion Association said Wednesday.

Of the 763 technologies introduced by Korean enterprises, 231 (30.3 percent) were in the electronic and electric fields, 158 (20 percent) in machinery, 150 (19.7 percent) in chemistry and 56 (7.3 percent) in textiles.

In 1989, the association said, 343 technologies (45 percent) came from Japan, 244 (32 percent) from the United States, 41 from France, 37 from West Germany and 23 from Britain.

Large businesses introduced 55.4 percent or 423 technologies, outdoing small businesses for the first time in three years.

Burma

TEMPO Interviews SLORC Information Chief

BK0506141390 Jakarta TEMPO in Indonesian 2 Jun 90 p 31

[Interview with Kyaw Sunn, chief of the Information Committee of the State Law and Order Restoration Council, by Bangkok-based TEMPO correspondent Yuli Ismartono in Rangoon; date not given]

[Text] [Ismartono] When will the SLORC [State Law and Order Restoration Council] hand over power to the elections victor?
[Kyaw Sunn] The SLORC promised to hold general elections, and this was already implemented. We promised to hand over power to a government formed in accordance with the laws. If we did not intend to hand over power, why did we hold elections? As for the timing of the power transfer, it all depends on the members of parliament who write the constitution and laws.

[Ismartono] To what extent will the SLORC play a role in writing the constitution?
[Kyaw Sunn] The SLORC's responsibility was limited to the holding of elections. After that, it all depends on the people. We will not even give our advice in writing the constitution because that can be considered as interference.

[Ismartono] Therefore, the new parliament will be free from the SLORC's influence?
[Kyaw Sunn] That is right. Our country drafted the constitution twice, namely in 1947 and 1974. Both were endorsed by the people through a national referendum.

[Ismartono] Is a referendum also needed this time?
[Kyaw Sunn] That depends on the members of parliament.

[Ismartono] Then, what will happen to the SLORC?
[Kyaw Sunn] The SLORC will be abolished after power is handed over to the new government, but the SLORC consists of militarymen. They will continue to exist.

[Ismartono] Is the military willing to be put under civilian rule?
[Kyaw Sunn] Yes, if the constitution so stipulates. We will obey the constitution.

[Ismartono] Why do people hate the military so much? This can be seen from the majority of votes gained by the opposition parties.
[Kyaw Sunn] That is not true. People want change, and they voted for the National League for Democracy because it is a new party.

[Ismartono] But people are also scared of the military.
[Kyaw Sunn] People are not scared of the military. They are afraid of riots and instability which can damage and affect security. That happened in 1988, and people do not want a repeat of that incident.

[Ismartono] How does the SLORC view the recent elections?

[Kyaw Sunn] The trend in the urban and rural areas shows that the National League for Democracy will capture a two-thirds majority while the National Unity Party will capture one-third of the vote. This analysis is based on the election returns we have received thus far by telephone from 100 election constituencies.

[Ismartono] How about the current status of Aung San Suu Kyi?

[Kyaw Sunn] This depends on the higher echelon of leadership. It is not our concern.

[Ismartono] What is the biggest problem in Myanmar [Burma] now?

[Kyaw Sunn] An unstable situation caused by rebellion. We cannot tell the rebels from the ordinary people. We take this into account in all our movements.

[Ismartono] If the parliament adopts a different policy against the rebels, will the military agree?

[Kyaw Sunn] We cannot give any comment on the new government.

[Ismartono] How do you view the recent elections?

[Kyaw Sunn] The elections constituted the beginning of a new era for Myanmar. We have fought for this during the last 20 years, and we are now quite satisfied.

Soldiers Told To Stay Clear of Politics

BK0706140590 Rangoon Domestic Service in Burmese 1330 GMT 7 Jun 90

[Text] Lieutenant General Tin Tun, commander in chief of the Air Force, held a meeting with Defense Services personnel, dependents of soldiers, and members of the township law and order restoration council in Meiktila cantonment and explained the instructions contained in the speech given by Senior General Saw Maung on 30 May. The meeting was held in a hangar of the Air Force training base at 0800 on 7 June.

Speaking on the occasion, Lt. Gen. Tin Tun said all public service personnel, including the Defense Services personnel, must fulfill the duties of the state in accordance with public service disciplinary rules. He then elaborated on the need for Defense Services personnel to stay clear of party politics and be free from party attachments and to always uphold the three causes of the Defense Services.

Attending that meeting were more than 1,500 people, including officers, noncommissioned officers, other service personnel, and dependents of soldiers, as well as members of the township and township zone law and order restoration councils.

Indonesia

Boat People Refugee Situation Said Critical

BK0806050490 Hong Kong AFP in English 0413 GMT 8 Jun 90

[By Alain Boebion]

[Text] Galang Refugee Camp, Indonesia, June 8 (AFP)—Indochinese boatpeople are arriving here at the rate of 100 a day, threatening to overwhelm the resources of this refugee camp where officials say the situation is now critical. On Thursday [7 June] alone 169 Vietnamese refugees arrived, bringing to 16,487 the number of boatpeople crammed into a camp first set up in 1979 and intended to hold a maximum of 5,500 people at most, officials said.

"The arrivals are never ending and we are now close to the record of 1982 when Galang held about 20,000 Vietnamese refugees," said Colonel Dukseno, one of the Indonesia officials who run the camp jointly with the office of the United Nations High Commissioner for Refugees (UNHCR). UNHCR official Sudang Kaentrakool said the most pessimistic projections of the camp housing 20,000 by the end of the year were "completely out of date", given that in May alone 3,000 boatpeople arrived in Galang, just south of Singapore.

Some 125,000 Vietnamese refugees passed through the camp between 1979 and 1989 en route to resettlement overseas but now only 497 refugees were classed as seeking asylum in a third country.

In the past six months, another 444 left Galang for the United States, Canada, Australia, West Germany and France. The remaining nearly 16,000 landed here after March 17, 1989 when new regulations intended to separate those fleeing their countries for genuine political reasons from economic migrants seeking a better life came into effect.

Col. Dukseno said the authorities had been interviewing some 60 to 70 Vietnamese a month since December. Informed sources said this probably represented about 600 people in all as only the head of the family was questioned about the reasons for leaving their country.

Camp officials said that no final determination about any of the screened boatpeople had yet been made and none was expected before July. Several other informed sources here said the camp authorities were reluctant to announce any results, fearing possible trouble from those screened out as economic migrants to face the prospect of forced repatriation.

At the same time these sources said that about 100 Vietnamese had handed in written requests to return home voluntarily over the past few months but had changed their minds again.

On a visit to Galang, which is completely controlled by the Indonesian military, journalists were told it now also held some 1,354 Cambodians, mostly young. The arrival of Cambodian boatpeople in Indonesia is a completely new development, with the first coming ashore on the country's main islands in January.

The camp authorities classify them as people seeking asylum. But while the UNHCR consistently defends that position Indonesian political and and military leaders have often described them as "illegal immigrants."

Col. Dukseno said several times that Indonesia's refugee coordinating agency had been set up to deal with Vietnamese boatpeople and that no Cambodian had as yet been interviewed.

Alatas Concerned Over Dilemma

BK0506142590 Jakarta THE JAKARTA POST in English 31 May 90 p 3

[Text) Jakarta (JP)—Indonesia is facing big problems in handling Indochinese boat people, says Foreign Minister Ali Alatas.

Speaking at a news conference yesterday, Alatas said the refugee camp on Galang island near Singapore was designed for 5,000 people at most but over 14,000 boat people were cramming the place. Alatas said of the number, 800 were Cambnodians. The Galang center was originally meant for Vietnamese and not Cambodian boat people.

He stressed: "We have sincere doubts that they (the Cambodians) are refugees. They are better described as economic migrants." "These people were going out to sea...in a well planned way, with money and a destination on their mind. From the point of view of humanitarianism Indonesia will not and cannot push them away if they are stranded...and let them die at sea. But...where shall we put them. This is our dilemma.

Who pays for them. This is our dilemma," Alatas said.

He explained that some boat people had made stopovers on Indonesian coasts to refuel and buy food. These people told Indonesian authorities they wanted to go to Australia. Alatas stressed it was not the Indonesian government which had told the boat people to head for Australia. Alatas stated: "We have not escorted them through Indonesian waters in order to point them towards Australia. They had from the beginning wanted to go to Australia." But they were stranded on Indonesian beaches and were taken later to the Galang camp.

"The situation poses problems for Australia and Indonesia. I fully understand and sympathize with Australia's problems, because now Australia has suddenly become a first destination country instead of a final destination country," he said.

Alatas said the Galang facility was already overcrowded and many boat people were "camping on the beaches". But he said Indonesia would not build additional houses. From the humanitarian point of view it would be good to

build more houses for the boat people, Alatas said "But we know that when we do that they will write back and say "it's beautiful in Galang. We get nice houses, nice beaches, white sand. Whether we can go to Australia or America,...it would not be a problem," he said.

Alatas said the flow of refugees would stop if the Cambodian crisis was resolved. "The minute you solve the Cambodian problem there will be no refugees, I think, hopefully. That's why we have to accelerate our efforts to solve the Cambodian problem."

He said short of that Indonesia wanted the resettlement and first destination countries to really sit down and "talk sense to each other".

Ariwibowo, Taiwanese Minister Discuss Investment

BK0506123790 Jakarta KOMPAS in Indonesian 23 May 90 p 3

[Excerpt] Taipei, KOMPAS—The Indonesian Government has approved the establishment of a special Chinese school for the children of Taiwanese nationals who have invested in Indonesia. As for the actual establishment of such a school, it all depends on the Taiwanese side.

Tungky Ariwibowo, junior minister of industries, disclosed this to two Indonesian journalists, one of them a KOMPAS correspondent, in Taipei on Monday [21 May] after he held talks with Chen Li-an, Taiwanese minister of economic affairs. Even though the talks were unofficial in nature because the Taiwanese cabinet had just been dissolved, Minister Chen promised to brief his successor on the conditions of Taiwanese investment in Indonesia.

During the talks with the Taiwanese minister, Ariwibowo disclosed Indonesia's continued efforts to boost foreign investment in the country. At present, Taiwan is the sixth largest foreign investor in Indonesia with official investment standing at $1.26 billion. [passage omitted]

Government Issues New Economic Measures 28 May

BK0506102790 Jakarta THE JAKARTA POST in English 29 May 90 p 1

[Text] Jakarta (JP)—The Indonesian Government has further reduced import tariffs and non-tariff barriers, simplified licensing procedures for fisheries, chicken farms, and manufacturing industries, and liberalized domestic marketing of a number of industrial products. These moves were announced last night by coordinating Minister for Economic Affairs Radius Prawiro in new packages of reform measures aimed at improving the efficiency of the economy.

"These measures further broaden and strengthen the previous reform packages in a bid to improve the business climate, broaden the business opportunities for cooperatives and to increase the overall efficiency of the economy," Radius told media editors at a meeting at the finance ministry.

The measures are stipulated in one government regulation, one presidential decree, one joint ministerial decree, five health ministry decrees, six trade ministry decrees and two other rulings by directors general.

The packages abolish or simplify import rulings on 371 industrial products and three categories of pharmaceutical products and remove restrictive export rulings on four commodities. The measures also reduce import tariffs and simplify the tariffs structure.

The number of commodities subject to a range of 45-50 percent tariffs was reduced from 1,505 items to 88 items; those with 35-40 percent tariffs were increased from 447 to 1,284; items with 25-30 percent tariffs were increased from 1,341 to 1,706; with 15-20 percent tariffs from 1,039 to 1,116 and those with 0-10 percent tariffs were reduce from 2,956 to 2,908 items. Import surcharges, imposed to protect domestic products from dumping prices on foreign goods, were reduced on 64 products and lifted from 53 others.

The government also simplified licensing procedures for the pharmaceutical industry. Pharmaceutical manufacturing and trading licenses are now effective for as long as license holders (companies) still operate, while drug registration procedures were simplified. Foreign companies (joint ventures) are now allowed to operate in the pharmaceutical wholesale trade, while imports of pharmaceutical materials have been liberalized by allowing imports to be made by general importing companies and not only by approved or registered importers.

The measures in the animal husbandry sector aim mainly at broadening business opportunities for small farms owned by individuals, small firms and cooperatives.

Large national and foreign companies can now operate in chicken farms only through joint ventures with small farms and only when they consign 65 percent of their production to the export market.

Licensing procedures for animal husbandry were simplified, with licenses for the raising of one species of animal now automatically effective for other animals. Licenses in animal husbandry, besides being effective for as long as the companies still operate, are also valid for slaughtering and for the production of feed for own use. Previously, a license was valid only for one species of animal and only for farming.

The measures also simplify licensing procedures for fishing. The licensing of fishing firms which operate shops of up to 30 gross tons and which do not employ foreign capital and expatriates, can be processed by provincial governments. Likewise, fish farming which does not employ foreign capital and expatriates can also be licensed at the provincial government level.

Philippines

Cojuangco Family Granted Travel Documents

HK0506095590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 5 Jun 90

[Text] The Department of Foreign Affairs today instructed the Philippine Consulate in Los Angeles to grant travel documents to the seven exiled family members of former Ambassador Eduardo Danding Cojuangco to enable them to return to the Philippines even without holding any passports. Foreign Affairs Secretary Raul Manglapus approved the telex sent to the Philippine Consulate in Los Angeles which issues the clearance for the return to the Philippines of family members of Cojuangco, who himself returned to the country under mysterious circumstances.

Beneficiaries of the Manglapus order are: Danding Cojuangco's wife Soledad Cojuangco; children Mark and Carlos; daughter-in-law Carmen Shultz Cojuangco; and grandchildren Paula, Eduardo, and Daniel.

It was learned that Manglapus' order was based on an instruction issued by President Aquino at a special cabinet meeting in Malacanang last Saturday. The Foreign Affairs Department said that, based on Malacanang's instructions, the Cojuangcos will only receive special travel documents and not passports. In issuing this decision, Malacanang admitted that the Cojuangcos are still Philippine citizens. However, the order did not mention that they violated the national security laws.

Earlier, Manglapus stated that Cojuangco, along with his family, was a national security risk. The granting of travel documents to the Cojuangco family will render a complaint filed before the Manila, Quezon City, and Makati Regional Trial Courts academic as the complaint questioned the withholding of travel documents to Cojuangco's family members.

American Stabbed to Death on Leyte Island

HK0806093990 Manila PHILIPPINE DAILY INQUIRER in English 7 Jun 90 p 13

[Excerpt] Tacloban—A 73 year-old American was stabbed to death in the central Philippines in the third fatal knife attack on a foreigner in a week, police said yesterday.

Joseph Barber was stabbed 25 times by two unidentified attackers on the verandah of his house at Palo on the island of Leyte, 580 kilometers southeast of Manila. Barber, who had retired in the Philippines with his Filipina wife, was murdered on Friday night, but police made public the killing only on Wednesday.

Police said several suspects had been questioned but released. They said the motive for the killing was unclear because the attackers disappeared without taking anything from the house, which is in a compound surrounded by a high wall.

[passage omitted]

Kidnappers Demand Ransom for Release of Japanese

HK0806105990 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Jun 90

[From "GMA News" program]

[Text] The kidnappers of Japanese agriculturist Fumio Mizuno are demanding a ransom of five million pesos or the equivalent of thirty-three million yen in return for the release of the Japanese aid worker. According to Herman Didanto of Minuyan Company who claimed to be a messenger of the kidnappers, a letter has been sent to Mizuno's wife stipulating the ransom demand. It was also learned that Mizuno informed his kidnappers that he can only afford to pay one million pesos.

Meanwhile, town mayor Nehemias de la Cruz said the kidnappers have moved Mizuno to the town of Salvador Benedicto. According to the mayor, some of his town residents saw Mizuno with his kidnappers. Mizuno also appeared to have been beaten.

Mizuno, training director of a Tokyo-based non-governmental aid agency, was abducted by suspected communist rebels in Murcia on 20 May.

Suspected Hideout Surrounded

HK0806124390 Manila Radio Veritas in Tagalog 1200 GMT 8 Jun 90

[Text] The military today surrounded two towns in Negros believed to be the hideout of rebels who kidnapped Japanese worker Fumio Mizuno. The soldiers are closely guarding the towns of Murcia and Salvador Benedicto in Negros.

Meanwhile, Jonathan Cristobal reported that the military leadership will refrain from taking any action the moment a negotiation between the rebels and Bishop Antonio Fortich starts. However, they stressed that not all the military operations in Negros would cease.

In related news, the Japan Organization for Industrial, Spiritual and Cultural Advancement refused to confirm reports of a five-million peso offer for the release of Mizuno.

Foreign Businessmen Urge Stable Environment

HK0806051390 Manila THE MANILA CHRONICLE in English 8 Jun 90 pp 1, 6

[By staff members Marites Paez and Tress Reyes]

[Text] The Japanese ambassador and a group of foreign businessmen yesterday separately called on the Aquino administration to avert a slowdown in investment by relaxing restrictions and guaranteeing peace and order.

Speaking before the Manila Rotary Club, Ambassador Tsuneo Tanaka urged that government scrap or reduce

"various legislative and administrative disincentives." He did not elaborate. He described the attitude of Japanese businessmen towards the Philippines as "still positive but cautious."

Japan is the Philippines' biggest trading partner.

For its part, the Inter-national Chamber of Commerce and Industry (ICCI) warned President Aquino that foreign investments have "lost momentum," were "overshadowed by political uncertainty," and faced a slowdown beyond this year.

ICCI urged the president to open the domestic market by removing constitutionally-mandated restrictions on foreign businessmen, such as ownership of businesses and land.

The written set of recommendations was given by ICCI chairman Peter Wallace, who warned that, unless actions were taken by the government to stimulate foreign investments, "new investments will see a slow down beyond 1990."

ICCI said that the investment climate would improve if the government:

—set clear, consistent, and stable investment laws and streamlined the investment process;
—open the domestic market to foreign investments by removing the 60-40 restrictions;
—allowed land ownership in industrial estates and 99-year leases elsewhere;
—moved very quickly to correct the present infrastructure insufficiencies.

Asked how Mrs. Aquino reacted, Wallace said, "She seems to be favorable to what we are saying, she recognized that what is needed today is to provide jobs to the people."

Speaker Ramon Mitra accompanied Wallace and representatives of other foreign business organizations. He said he agreed that the investment climate here was not favorable, but would not say if he favored scrapping the 60-40 limit or to extend land leases to foreign companies from 25 years to 99 years.

The ICCI said that investments had slowed down because of "abrupt policy changes, too many anti-business bills and rhetoric, political impediments to large investments, poor infrastructure, slow, corrupt bureaucracy; and slow, over-involved law."

It predicted that investors already here would continue their plans, although "perhaps slightly delayed to meet slower market growth."

Investors who made commitments last year, "in the main, will continue plans," but with "some cancellations and deferrals," the ICCI.

It warned that new investments would slow down after 1990 because the Philippines was no longer considered a priority area.

Those who had the Philippines in their plans for 1990 and beyond have "relegated it to the bottom," it said.

Wallace described the country's peace and order as "a bit worrying," and added that the power crisis had contributed much to the slowdown in investments.

He added that the controversy over the Taiwanese Luzon Petro-chemical Corporation had also "made many investors concerned."

In his speech, Tanaka pointed out that the Philippines had "very strong" competitors among the other Southeast Asian countries, and that private companies were entitled to choose where to put their money.

He added, "Recent events remind us clearly that peace and order and security is the cardinal basis for the activities of the private sector."

Last week, a Japanese businessman was killed in Cavite while another was kidnapped in Negros Occidental. Also, the Japanese embassy has received several bomb threats.

Tanaka said that, while rumors of another coup damaged the country's image abroad and created a "negative psychological impact" on investors, the economy had overcome these problems. He cited the government's ability to maintain a 5 percent growth rate.

"Philippine business seems to have become 'coup d'etat proof' after experiencing six coup attempts," the ambassador observed.

Next week, a Japanese Government mission will arrive to discuss this year's yen loan package, which is expected to make up the bulk of Japan's contribution to the Philippine Aid Plan (PAP).

Reacting to the proposals to revise the equity restrictions, Sen. Edgardo Angara aid any move to alter the Constitution was "politically assailable."

But he noted that only the Philippines was setting limits to foreign ownership of business. "Investors find it restrictive," he said.

Angara noted that Indonesia's allowing 100 percent foreign ownership of business within 10 years appeared an acceptable compromise.

Sen. Ernesto Herrera, chairman of the Labor Committee, said he had an open mind on the matter, especially since countries like Singapore developed even if foreigners were allowed to control business firms.

Senators Aquilino Pimentel Jr. and Leticia Shanhani, however, opposed any change in the equity rule.

Pimentel believed that the Senate will not support "any proposal that will contravene the Constitution."

Shahani said that full foreign ownership should only be allowed in high-tech ventures and that there had to be an assurance of a transfer of technology.

There were other recommendations that ICCI made to the President:

—Certify Congress bills (HB [House bill] 30522 on loss carry over; HB 30884 on land ownership; HB 30521 and ADB/IFC Status; and HB 30520 on Uniform traffic rate)
—Reduce franchise requirements;
—Redefine public utility for industrial zones
—Allow foreign ownership of BOT
—Expedite the Cogentrix Plant and the Calaca II plant
—Make geothermal contracts attractive
—Order more power barges "fastest available"
—Give Duty Free entry to raw materials;
—Modify "labor intensive" concept
—Liberalize employment of foreigners in multinational corporations.

3,000 Sympathizers March in Support of MNLF

HK0406133990 Manila THE MANILA CHRONICLE in English 3 Jun 90 p 1, 5

[By correspondent Bobby Timonera]

[Text] Marawi City—About 3,000 sympathizers of the Moro National Liberation Front [MNLF] marched around the city streets supporting the rebels bid for membership in the Organization of the Islamic Conference. The marchers, led by Muslim priests, carried placards supporting Jihad (Holy War) and portraits of MNLF chairman Nur Misuari.

They were at first blocked by police, but after negotiations with authorities the marchers were allowed to continue.

The rally's leaders denounced the Government's efforts to implement autonomy in Muslim Minandao. "The autonomy given by the Aquino Government is not responsive to the needs of the Moro people," said Salajudin Macmod, spokesman of the Supreme Council of Ulama, an organization of Muslim priests.

Another religious leader, Mohamed Khalidnoor, said "the MNLF is the legitimate representative of the Bangsa Moro [Moro Homeland] people, that is why we are supporting them."

Article Blames Government for Economic Slowdown

HK0806043590 Manila THE MANILA CHRONICLE in English 8 Jun 90 p 4

[Editorial: "Government Must Take Some Blame"]

[Text] The air is once again rife with coup rumors. On Wednesday night, there were people who stayed up waiting for the first burst of gunfire, or the first rocket explosion to mark the military rebels' nth attempt to seize power from the Aquino government.

Once again, the distractive and destructive effects of such destabilizing exercises by power-hungry military men and their political bosses are being discussed. In fact, until today, fully six months after the December coup attempt, people are still blaming the putschists for the damage their bloody adventures have brought upon the Philippine economy.

Every coup attempt has brought more deaths and destruction upon the Filipino people. In economic terms, coup attempts, and even just persistent rumors, have brought about tour cancellations that have left hotels and airliners virtually empty, the pullout of nervous investors, and wild swings in the stock market. Politically, the cost has been just as grave. As the attempts to seize power grow bolder, confidence in the ability of the present government to hold the country together has been eroded.

The toll of every coup—either an actual attempt, or a mere rumor—on the Filipino people has, indeed, been great. It does not come as a surprise therefore that the idea of a coup and the people perceived to be behind it have received little or no acceptance with the population.

This has been widely exploited by the Aquino government which has put the blame on the military renegades for most of the ills that have befallen the country in the past four years.

While government's position is correct to a certain extent, it cannot continue to blame the slow growth of the economy on the coup attempts alone. For there are other things that slow down economic growth and disturb investor confidence. Some of these—like the severe drought that hit the country for the first five months of the year and devastated the rural sector—were beyond the government's control. But there are other factors that the authorities must take responsibility for.

The energy shortage which continues to hit offices and industries is a case in point. If government cannot guarantee a steady supply of energy to run industry, investors will not be expected to bring their money into the country.

The local business infrastructure also falls short of the expectations, especially of foreign investors. Our telephone and other communications services and systems have not caught up with the rest of the world. And traffic management, though vastly improved in the past few months since Oscar Orbos was made "traffic czar," leaves much to be desired.

And then, of course, there is the bureaucracy which is largely unmotivated, resistant to change, and vulnerable to graft and corruption introduced by businessmen impatient for results.

But the most important factor is the government's economic policies which, heretofore, have been perceived to favor big business at the expense of the toiling masses.

Clearly, government, through its own shortcomings, has been instrumental in the slowdown of economic growth and its attendant ills on the populace.

President Aquino's "new economics" which provides incentives for local and medium-sized business ventures could be a step in the right direction. Accompanied by an improvement in services and infrastructure, this new package could give the economy a much needed second wind which would make military rebels, coup attempts and coup rumors, unwanted interventions.

Thailand

PRC Foreign Minister, Delegation Pay Visit

BK0706160590 Bangkok XING XIAN RIBAO in Chinese 7 Jun 90 p 4

[Report by correspondent Liu Zhenyan]

[Excerpts] Xu Dunxin, Chinese assistant foreign minister and director of the Asian Affairs Department, said yesterday that normalization of relations between Beijing and Hanoi would only come after a comprehensive, just, and reasonable political solution has been found to the Cambodian problem. He also hoped that Vietnam and the Soviet Union, two countries involved in the Cambodian issue, would adopt an active stance on the settlement of the Cambodian problem.

Xu Dunxin and his six-member Chinese Foreign Ministry delegation arrived in Bangkok yesterday afternoon. The assistant foreign minister reaffirmed the Chinese stand on normalizing Sino-Vietnamese relations during an exclusive interview with our correspondent.

Xu Dunxin was welcomed at the airport VIP room by Kamthon Witthayamet, director of the East Asia Division of the Foreign Ministry's Political Department, and Chinese Ambassador Li Shichun. [passage omitted]

Xu Dunxin said that he came to Bangkok prior to his Hanoi visit to exchange views with Thai officials on a comprehensive political settlement of the Cambodian problem. He said that Thailand has been playing a vital role in the Cambodian problem. In particular, since there are various international opinions concerning a political solution to the Cambodian problem, China and Thailand should try to maintain close consultations on this issue.

Foreign Minister Air Chief Marshal Sitthi Sawetsila will receive Xu Dunxin tomorrow morning to exchange views on the Cambodian question.

Xu Dunxin pointed out that he is not going to Hanoi at the invitation of the Vietnamese Foreign Ministry, but as a guest of Chinese Ambassador Zhang Dewei to observe the operations of the Chinese Embassy. On this occasion, he will also exchange views with Vietnam on the Cambodian issue. He said that although the talks with Vietnam will be informal, he hopes that the Vietnamese side, like China, will be sincere and realistic so that the Cambodian issue can be settled as soon as possible.

Xu Dunxin will hold talks with Vietnamese First Vice Foreign Minister Dinh Nho Liem next Monday [11 June] to discuss the Cambodian issue and normalization of Sino-Vietnamese ties. Dinh Nho Liem has led three delegations to Beijing for talks with Chinese officials; in January and May of last year, and this May.

Xu Dunxin said that he exchanged views with Dinh Nho Liem early this May. He said that both sides have some identical views on the Cambodian question, but that distance still remains in their views on several big problems. He hoped that both sides would seriously consider these differences. He said that "we hope the Vietnamese side will try to solve some problems and will join in the common effort to solve this issue." He also said that if the Cambodian situation cannot be settled completely, normalization of Sino-Vietnamese relations will not come immediately. However, Xu Dunxin said "we know that Vietnam hopes to normalize relations between the two countries, and we hope for an earlier normalization of these ties."

Asked to comment on the joint communique signed by the leaders of the Cambodian factions at the Tokyo peace talks, Xu Dunxin only replied that "we respect the views of each Cambodian faction."

Meets With Chatchai 7 Jun

BK0706142590 Bangkok Domestic Service in Thai 1200 GMT 7 Jun 90

[Text] Suwit Yotmani, spokesman of the Prime Minister's Office, has reported that PRC Assistant Foreign Minister Xu Dunxin, accompanied by M.R. Kasemsamoson Kasemsi, permanent secretary for foreign affairs, paid a courtesy call on Prime Minister General Chatchai Chunhawan at Government House at 1500 today. The PRC assistant foreign minister is on a visit to Thailand 6-9 June prior to his visit to Hanoi as a guest of the Chinese ambassador to Hanoi.

The PRC assistant foreign minister said that he came to Thailand to hold talks with the Thai foreign minister, the permanent secretary for foreign affairs, and other Thai officials to discuss the Cambodian problem before going to Vietnam. China realizes that Thailand, China, and Vietnam should cooperate in seeking a peaceful political solution to the Cambodian problem and should try their best to bring peace to this region.

Xu Dunxin said that the Cambodian situation is moving to a favorable direction. Sino-Vietnamese relations have also improved gradually. He expressed the hope that his visit to Vietnam would help reach understanding and find ways to bring peace to Cambodia soon.

Regarding the UN Security Council's meeting on the Cambodian issue, Xu Dunxin said the the UN Security Council agreed that the Cambodian problem requires a comprehensive political solution based on the interests

of the four Cambodian factions, and the four factions should also accept such a resolution and adopt a compromising stand on this issue.

The prime minister said that the Tokyo meeting on the Cambodian problem is considered successful. Regarding the Khmer Rouge, the prime minister believed that China can do better than other countries in advising the Khmer Rouge to adopt a compromising attitude in jointly resolving the problem.

Touching on Sino-Thai relations, the prime minister said that Thailand will continue to pursue its policy on strengthening relations between the two countries, which Thailand has been carrying out since 1973. During the prime minister's meeting with the U.S. President while attending the funeral ceremony of Japanese Emperor Hirohito, the prime minister invited the United States to open its trade door to China and to maintain good relations with China. The prime minister also invited France, Norway, and England to promote their good relations with China.

Talking about the close economic cooperation between Thailand and China, the prime minister said that Thailand has promoted investments and technological exchanges between the two countries. He also said that Thailand has placed an order for 300,000 tons of oil from China. Normally, when Thailand buys a quantity of oil from China, China will buy rice of the same value from Thailand in return. However, China has not bought rice from Thailand this year. The PRC assistant foreign minister said that he will bring this issue to the Chinese minister for consideration. Xu Dunxin also said that after his talks with Vietnam, he will brief the prime minister on the results.

Urged To Pressure Khmer Rouge

BK0806012790 Bangkok THE NATION in English 8 Jun 90 p 3

[Text] Prime Minister Chatchai Chunhawan yesterday urged a visiting senior Chinese official to persuade the Khmer Rouge to return to playing a part in the Cambodian peace process. The hardline communist faction refused to endorse an agreement by the other factions on a voluntary ceasefire and establishment of a supreme national council at peace talks in Tokyo earlier this week.

Government Spokesman Suwit Yotmani said the premier made the point during his meeting with visiting Vice Foreign Minister Xu Dunxin, who was stopping in Thailand en route to Hanoi for normalization talks with Vietnamese leaders. Chatchai told Xu that the Khmer Rouge would listen to the Chinese over anyone else.

The premier also asked the visiting dignitary to convey a message to Premier Li Peng asking China to buy 300,000 tonnes of Thai rice now that Thailand has bought 300,000 tonnes of oil from China.

Calls on Sitthi Sawetsila

BK0806065290 Bangkok Domestic Service in Thai 0530 GMT 8 Jun 90

[Text] Chinese Assistant Foreign Minister Xu Dunxin paid a courtesy call on Foreign Minister Air Chief Marshal Sitthi Sawetsila this morning at the Foreign Ministry. According to Somphong Faichampa, director of the Foreign Ministry's Information Department, the Chinese assistant foreign minister and the Thai foreign minister exchanged views on a solution to the Cambodian problem. The foreign minister briefed the Chinese visitor on the Tokyo meeting on Cambodia and said he believed that the essential element for solving the Cambodian problem is the establishment of a Cambodian supreme national organization, which should be set up soonest.

According to Somphong, Xu Dunxin briefed Sitthi about the 25 May meeting on the Cambodian problem of the five permanent members of the UN Security Council [UNSC]. Xu said the Chinese and U.S. positions concerning the settlement of the Cambodian problem were quite similar. He said the four Cambodian factions are expected to attend the fifth meeting of the five UNSC permanent members.

Xu said he will discuss the Cambodian problem with Vietnamese officials during his trip to Hanoi.

Foreign Ministry Comments

BK0806044090 Hong Kong AFP in English 0405 GMT 8 Jun 90

[Excerpt] Bangkok, June 8 (AFP)—The five permanent [members] of the United Nations Security Council are to meet for talks on Cambodia in Paris on July 9, a senior Thai official said here Friday [8 June]. Foreign Ministry Spokesman Somphong Faichampa was talking to reporters after a meeting between Thai Foreign Minister Sitthi Sawetsila and a visiting top Chinese official.

Beijing's Assistant Foreign Minister Xu Dunxin told Mr. Sitthi that China was in favour of all warring Cambodian factions joining the "Big Five"—Britain, China, France, the Soviet Union and the United States—when the five meet in the French Capital on July 9, Mr. Somphong said.

Mr. Xu was here for talks with Thai leaders before traveling to Hanoi for talks on Cambodia Saturday. China and Vietnam are the main backers of rival warring factions in Cambodia. [passage omitted]

Chawalit's Role in Tokyo Peace Talks Viewed

BK0106073490 Bangkok Domestic Service in Thai 0530 GMT 1 Jun 90

[Text] Lihkit Hongladarom, deputy spokesman attached to the Prime Minister's Office, spoke to newsmen after the Japanese ambassador to Thailand called on General Chawalit Yongchaiyut, deputy prime minister and defense minister, at Government House this morning. He said the

Japanese ambassador consulted Chawalit on preparations for and details of the meeting among the leaders of the four warring Cambodian factions in Tokyo next week.

The Thai deputy prime minister said that it is expected some agreement would be reached at the talks and that there should be nothing to worry about in that regard. It is believed that Chawalit will make the trip to Japan in his capacity as Thailand's deputy prime minister, figuring that he can contribute to the meeting by giving some useful information that would help it reach its goal. It can be said that Chawalit's visit to Japan means that the meeting participants respect him and that he has a great role to play in enabling the various Cambodian factions to meet with each other in order to speed up the establishment of peace in Cambodia. However, how much of a role the Thai deputy prime minister will play at the meeting will depend on the atmosphere at the talks as well as on the stances of the participants, including the leaders of the four warring Cambodian factions.

Apart from the meeting, the Thai deputy prime minister will also meet with high-ranking Japanese Government officials.

Sitthi Welcomes Vietnam's Gen Doan Khue

BK2905124590 Bangkok Voice of Free Asia in Thai 1030 GMT 29 May 90

[Text] General Doan Khue, Vietnamese deputy defense minister and general staff chief, led a delegation of high-ranking Vietnamese military officials in a courtesy call on Thai Foreign Minister-Air Chief Marshal Sitthi Sawetsila at the Foreign Ministry yesterday (28 May) afternoon.

Sitti told reporters after the meeting that the objective of the visit to Thailand by the Vietnamese deputy defense minister and his delegation was to observe Thai Armed Forces operations which help support economic development and to strengthen relations between Thailand and Vietnam. He said this was the first time a Vietnamese delegation of such high-ranking military officials has ever visited Thailand.

The Thai foreign minister reported that during the meeting he discussed Thai-Vietnamese relations with the visiting delegation. He said he reiterated to the visitors that Thailand is always sincere with Vietnam in solving various problems aimed at transforming the battlefield into a marketplace to correspond with the policy of Prime Minister General Chatchai Chunhawan.

Sitthi went on to say that he is pleased with the better understanding between Vietnam and China. During the news interview, the Thai foreign minister said he hopes to see success in the settlement of the Cambodian problem and Thailand looks forward to positive results from the talks in Tokyo. Sitthi also said he hopes the fighting in Cambodia will end within this year, and that next year would be the year for development and cooperation.

Arab Nation Said Training Muslims for Haj Raid

BK0806013790 Bangkok THE NATION in English 8 Jun 90 p 1

[Text] Hundreds of radical Thai Muslims have been sent to an Arab country for military training provided by a Shiite-dominated Middle Eastern nation which may use them to terrorise Muslim pilgrims converging at Mecca, Saudi Arabia, for their annual Haj next month, government sources said yesterday.

The exact number of the Th. . Muslims trained in the Arab nation was not known but one source said they might total some 2,000. The sources speaking on condition of anonymity, said Saudi Arabia was on guard against sabotage, which is allegedly being plotted to show the country is not capable of looking after the holy Muslim city.

The Shiite-dominated country wants to take over care of the sacred Muslim city, the government sources said, citing an intelligence report provided by a friendly country.

The sources said the Thai Shiites were chosen because Muslims from the radical Arab country would fall under the suspicion of Saudi Arabian authorities when they visited Mecca for the pilgrimage next month. "If the Thai terrorist failed in the mission, the Shiite-dominated nation would not be linked to the sabotage," one government source said.

The source said the National Security Council, the Thai Police Department and the Foreign Ministry recently discussed preventive measures after having received the intelligence report. Thai security authorities have coordinated with the Saudi Arabians on a contingency plan, the sources said.

In a related development, Riyadh also decided against providing special chartered-flights for Thai Muslims wishing to go on pilgrimage to Mecca this year. In previous years, Saudi Arabia provided eight special flights between Bangkok and Saudi Arabia for the pilgrims. This year, prospective Thai pilgrims can depend on only three regular flights of Saudia Air from South Korea and the Philippines, two every Thursday and the other every Monday.

About 10,000 Thai Muslims have applied for permission to visit Mecca this year but due to the flight restrictions, only about half of them were expected to make it. Saudi Arabian Embassy sources, however, said that the change resulted from the killing of Saudi Arabian diplomats in Thailand early this year and the theft of jewellery from a Saudi Arabian palace by a Thai worker.

Vietnam

U.S. Teacher Expelled for Security Reasons

BK0706153490 Hanoi Domestic Service in Vietnamese 1430 GMT 7 Jun 90

[Text] Mrs. Miriam Fossburger, born on 19 July 1954 of American nationality, holder of passport No. 090746849

issued by the Philadelphia authorities on 5 April 1988, worked as an English teacher at the Hanoi Foreign Languages School since July 1989.

During her stay in Vietnam, Mrs. Miriam Fossburger tried to use foreign papers opposing the socialist regime in Vietnam to teach students. She brought these documents illegally into Vietnam. The Vietnamese security agency also searched her living place and confiscated documents containing national secrets of Vietnam.

Activities of Mrs. Miriam have threatened Vietnamese national security and violated Articles 74 and 82 of the criminal code of the Socialist Republic of Vietnam. As a result, the authorities issued an order expelling Mrs. Miriam Fossburger from Vietnam on 5 June.

The State of Vietnam welcomes the assistance and goodwill of foreign organizations and individuals, but it resolutely deals with those who try to violate and undermine the national security of Vietnam.

Vo Chi Cong Returns From Algeria, Libya

BK0806022090 Hanoi VNA in English 1531 GMT 7 Jun 90

[Text] Hanoi VNA June 7—Vo Chi Cong, Politburo member of the Communist Party of Vietnam Central Committee and president of the State Council, returned here today after concluding his official friendship visits to Algeria and Libya.

President Vo Chi Cong and his party were welcomed by Do Muoi, Politburo member of the party Central Committee and chairman of the Council of Ministers, and many other senior party and state officials.

Soviet Ambassador D.I. Kachin, Algerian Charge d'Affaires A.I. 'Ali Mokrane [name as received], and Libyan Charge d'Affaires A.I. Abdel Majid Nweili [name as received] were present on this occasion.

Article on SRV Commitment to Socialism

BK0806034090 Bangkok BANGKOK POST in English 8 Jun 90 p 6

[Article by Jacques Bekaert under the rubric "Eye on Indochina" and headlined: "Sworn to Socialism"]

[Text] "The Vietnamese people are not only heroic but also very intelligent."

A rather bold statement. Especially from a Vietnamese. It appeared in an editorial in the April issue of TAP CHI QUOC PHONG TOAN (The National Defence Review), as part of an article celebrating (what else!) "The Great Victory of the Anti-US Resistance struggle."

The anonymous writer does not stop there. "Their intelligence," he adds, referring to the Vietnamese people, "is manifest by the superior mind of a minority that is the supreme advisory staff of the revolution, the party Central Committee and the Political Bureau."

And then the coup de grace to any trace of modesty that may have survived: "The superior mind of the vanguard party is the crystallised rich mind of the entire nation." How's that for self-satisfaction!

In the same editorial, the writer explains that "the country might have been now prosperous, now declining." This, notes the DEFENCE REVIEW, "depends on whether or not the nation's political leaders have adopted correct lines to lead the people." Based on the present situation of Vietnam, the tragic poverty of the majority of its people, one is tempted to ask: Where were all these brilliant minds when they were badly needed?

Our purpose though is not to make fun of the Vietnamese people. They often have been truly heroic indeed, including when faced with a leadership that accumulated mistakes after mistakes, as frequent campaigns of self-criticism have acknowledged, especially in recent months.

But such quotes show how difficult it is for the leadership, for people close to the party, to consider a few simple facts. Like: Should Vietnam persevere in its present policy of the one-party system? Or realise that Vietnam is one country among many, whose experience in heroism, intelligence or suffering is by no means unique?

The issue of a one-party state does not seem a complex one. Many will argue that although multipartism is not a full guarantee of democracy, it is very hard to have a democracy without multipartism, given the necessity to have as many checks and balances as possible.

Vietnam desperately needs some fresh air, access to more information, to the rest of the world. But at the same time strong leadership is crucial. Can anyone outside the party provide this leadership? In the immediate future, probably not.

In a recent interview with the Soviet daily IZVESTIYA, Party Secretary General Nguyen Van Linh claimed that "the Vietnamese people know through their own historical experiences and at the price of their own blood that the Communist Party of Vietnam is their sole authentic leader. They cannot accept political pluralism, multiparty or an opposition party."

There is no doubt that Mr Nguyen Van Linh and many other high-ranking Vietnamese communist leaders are totally dedicated patriots and no less sincere communists. This is probably why, in Vietnam today, you will find many people ready to criticise the party but remarkably few personal attacks against the top leadership.

Even in the South, where criticism is as frequent as they are sharp, most people I have talked to often expressed strong anti-communist feelings, blaming the party for almost everything, but—sometimes reluctantly—they admit that the old leaders are at least sincere patriots.

The Secretary General has a point when he mentions negative aspects of historical experiences when it comes to leadership. The South very much lost the war because of its own internal divisions, lack of coherent and

dedicated leadership, corruption and the intense political rivalry of too many generals more interested in personal gain than in national defence.

Events in Eastern Europe have forced the Vietnamese leadership to review the role of the party in Vietnam and the future of socialism in the world. It also has led them to the conclusion that socialism is, more than ever, the way Vietnam will travel in the future.

While Hanoi has come to recognise the fact that popular resentment against the communist parties of Eastern Europe was partly justified by many of these parties' poor performance, lack of internal democracy or plain corruption, it also maintains that if they lost power it was very much the result of Western, especially American, plots and interference.

The Vietnamese party has been horrified by the results of recent elections, in East Germany for instance, where communists, even the reform-minded people who made changes possible, have been swept away from power.

As Nguyen Van Linh told IZVESTIYA, "We are deeply grieved to learn that in some countries the communist parties have lost power, that the opposition forces are step by step steering those countries toward capitalism under different denominations."

"Capitalism is not the last solution to mankind's civilisation," added Nguyen Van Linh. Maybe not, indeed. And capitalism today, in Western Europe for instance, with progressive social legislation offering better protection to the individual person than probably any system in the world, has certainly a very different face than the savage, ruthless capitalism Vietnamese communists have in mind.

While the ageing Chinese communist leadership seems to be dominated much more by the desire to stay in power than by strict ideological considerations, many Vietnamese commmunists are true believers in Marxism-Leninism. They are deeply convinced that the socialist road is the best one for Vietnam and the rest of humanity. No one has ever accused the top Vietnamese leaders of corruption, of having abused their power for strictly material gain. These leaders also believe that multipartism would only bring chaos, more problems and more poverty to the land. Vietnam's past experience with political pluralism indeed provides few reasons for optimism.

So the leadership has for the time being made up its mind. Socialism it is, socialism it will be. And dissidents may be allowed to express some of their ideas in private but Democratic Centralism is the order of the day and public expression of dissent will be viewed with very little sympathy, especially by the interior ministry.

Party internal discipline is strictly applied, as the example of Mr Tran Xuan Bach clearly shows. Mr Tran Xuan Bach was expelled from the politburo during the 8th Plenum because of what was considered serious breaches of internal party discipline, senior party sources in Hanoi said. Not so much for the ideas he expressed than for the fact that he went outside of the party to express unorthodox views, and later refused to apologise. To the rest of the world the nature of the "sin" may not be too obvious, but for the party cadres it makes a difference.

Vietnam is thus determined to be the last socialist country in the world. And to a certain extent it already is. Cuba and North Korea are versions of something else, called personal power, with a coating of Marxism. The party in China is engaged in a complex power struggle in a society described by a senior Chinese source as still largely feudal. The Soviet Union is in the middle of transformations so deep no one can predict how far and in which direction it will take it. Albania, maybe, is the only other country that could still apply for the status of socialism state.

The Vietnamese determination to remain socialist is somewhat heroic. Pathetic, others would say. Or admirable. It could even succeed, as long as the party can successfully implement the vast internal reforms indispensable for the survival and the popular acceptance of the Communist Party.

There is no doubt that some of these reforms are being implemented, that much more should come at the time of the next party congress, planned for mid-1991. Vietnamese communists are waiting with some degree of anxiety for the next plenum of the Soviet Communist Party, to find an answer to some of their own questions regarding ideological points.

The party is even revising—or at least considering revising—some of the old dogma and the role of Leninism in the party. It wants to rejevenate its ranks, improve the intellectual performance of its members, have a membership of social heroes, and moral giants, and be the guiding light for the better that would bring happiness, social justice and prosperity to a thankful people. It certainly isn't an absurd ideal, or a contemptible one. But it is a big gamble, for men are not angels, and perfect communists are hard to find.

In the meantime, the security people will keep tracking "those who seek to undermine political security," as Hanoi Radio declared on April 15.

Who undermines political security? "Corrupt elements, bribe-takers, smugglers, illegal traders, swindlers, distributors of reactionary and decadent reading material, those who release distorted themes, those who instigate and rally forces to oppose the line and policies of our party and state; and those who are associated with other social vices such as gambling, drug addiction, and prostitution."